2012 Operating Budget At a Glance

Montréal

2012 BUDGET

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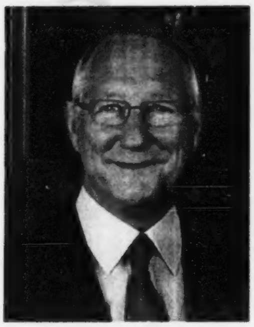
> Message from the Mayor and the Chairman of the Executive Committee



Ladies and Gentlemen,

Our administration has been working diligently over the past 10 years to achieve its main mission, to provide Montréal residents with quality services and safe infrastructures, thereby improving their quality of life, while at the same time rising to the challenge of meeting their ability to pay.

The 2012 Budget attests to our efforts. Despite unprecedented investments over the past 10 years in all areas of city activity, we are continuing our efforts, as reflected by a record $4.4 billion Three-year Capital Works Program (TCWP) for 2012-2014, which was adopted in September.

The operating budget stands at $4.7 billion. Again this year, the city's budget priorities meet those of Montrealers. Citizen safety rightfully remains our first priority. A $991-million budget was awarded to the *Service de sécurité incendie* (fire department) and *Service de police de la Ville de Montréal* (police department). Also, our administration's commitment to public transit is undeniable. Since 2001, the city has doubled its contribution, which stands at $446 million for 2012. A budget of $466 million will help us continue to provide Montrealers with a wide array of quality cultural, recreational and sports services.

We are introducing a conservative budget, one that focuses on our basic missions, because we believe that stringent management will help us to meet the needs of the community and, despite the financial pressures exerted on the budget, limit the growth of general property taxes to the level of inflation, or 2.5%.

We have achieved this feat and must stay the course over the coming years. This is why we are carrying out negotiations with all employee groups to reduce the cost of pension plans, which are shouldered by Montréal taxpayers. The problems resulting from the high cost of pension plans is a challenge that is shared by all the municipalities in Québec. However, because of the size of Montréal, the impact of the pension plans is even more significant. In 2012, pension plans will represent 13% of the Montréal budget. Given the ability to pay of Montrealers, we have the obligation to find solutions.

Additionally, we have committed to continuing our efforts to reduce the work force by eliminating 1,000 jobs by the end of 2013. As the employee payroll represents close to 50% of the city budget, we believe that improving efficiency will enable us to continue to provide the same level of services with fewer employees. Of course, cutting down on direct services to the community is not a solution. Moreover, the economic effervescence visible in Montréal, which is reflected by both private and public investments, requires city investments to support development. Clearly, our administration will hire necessary personnel to make sure that construction cranes remain a strong feature on the city landscape.

Our administration will continue to fulfill its responsibilities in areas where others have not dared to do so. Since 2004, the city has been charging a progressive special contribution dedicated to the Water Fund, to help finance water main and sewer line rehabilitation, as well as upgrade water production facilities and wastewater treatment plants. It is an absolute must for the Montrealers of today and for future generations.

Following the recommendations of the *Commission permanente sur l'eau, l'environnement, le développement durable et les grands parcs* (standing committee on water, the environment, sustainable development and large parks), our administration is carrying out its financing strategy for the Water Fund and is increasing the dedicated water tax by 0.5% for 2012.

The 2012 budget is, without a doubt, the legacy of our work over the past 10 years. It meets the needs of the Montrealers of today, while paving the way for future generations.

Gérald Tremblay
Mayor of Montréal

Michael Applebaum
Chairman of the Executive Committee

> Message from the Director General and the Treasurer

Fellow Residents,

Today we are presenting Montréal's 2012 Operating Budget. It results from a determination by all of the city's business units to provide the most effective and efficient support possible for the Administration's guidelines and priorities.

Building on achievements of 2011 and in keeping with City Administration requirements, the city will step up its efforts in 2012 to cap increased spending. Excluding the surge in pension costs ($132 million), the rise in the 2012 Operating Budget and in property taxes is equal to inflation forecasts. In view of growing financial pressures stemming from the city's priority investments in its core missions, this outcome attests to the vigorous efforts deployed by all business units to contain growing costs.

Guided by a constant concern to limit tax increases, the Administration has asked us to cut 1,000 permanent jobs from the municipal workforce by 2013. To meet this challenge, we must collectively do our best to enhance the efficiency of management efforts and activities so that we can provide equal levels of service with fewer employees wherever we decide to downsize. However, the city is aware of the need to add to the workforce when required by higher activity or service levels. This is the situation with the bridge, tunnel and overpass group and with the deployment of the fire department's new Safety Cover Plan. The 2012 permanent workforce will be reduced by 310 person-years, or one-third our total goal. The 2012 and 2013 periods, when large numbers of employees will retire, will be critical to this process.

The city has of course already deployed a variety of efforts to optimize its processes and to implement high-performance, state-of-the-art financial mechanisms that respond to needs of the city and its residents. A few examples from 2011 include Montréal's new contract management policy, its two contract review committees, its new procurement policy, its upgraded budget process (including earlier adoption of the Three-year Capital Works Program (TCWP), stricter investment priorities and payment of capital project labour costs as incurred. All these strategies will help promote the sound management, efficiency, ethics, transparency and equity of municipal activities and bolster productivity. The 2012 period will be an opportunity to continue along this path, by further consolidating and better integrating the city's management-planning cycle.

The city will be strengthening its Water Fund in 2012. Fund revenues that had been taken from general property taxes will now be drawn entirely from the Water Tax. This change will have no fiscal impact but will increase the transparency and accuracy of financial information for taxpayers, while enhancing and optimizing the efficiency of Water Fund transactions.

The city administers a $4.7 billion Operating Budget designed to withstand financial ups and downs, along with changes in the ability of taxpayers to pay, while maintaining services and the metropolis's social, cultural and economic development. The City Administration and all municipal workers must take a close and innovative look at the efficiency of their activities and work together in applying lessons learned.

Responding to constant change is a big task for a city serving nearly 2 million inhabitants. That is why we must act decisively by fostering a disciplined and prudent approach in managing public expenditures, while consolidating our activities and going all out in fulfilling the city's core responsibilities. We accordingly extend our heartfelt thanks to city workers. Their diligence and dedication will make it possible for us to meet our goals.

Director General

Louis L. Roquet

Louis Roquet

Principal Director and Treasurer,

Robert Lamontagne

> 2012 Operating Budget Highlights

A budget that respects taxpayers' ability to pay

- A $4.7-billion budget, up 5.2% compared to 2011.
- General property tax increase maintained at the inflation level of 2.5%.
- A 0.5% increase in the dedicated water tax.
- Pension plan costs stand at $609 million, up $132 million compared to 2011. The city plans to take measures to reduce these costs.
- Sustain efforts to reduce the work force by 1,000 positions between now and 2013.

Invest in water and road infrastructures

- Operating budget of $331 million for water management, in addition to investments of $392 million included in the Three-year Capital Works Program (TCWP) for 2012.
- Operating budget of $130 million for the road network, in addition to investments of $330 million included in the TCWP for 2012.

Invest in public transit

- $395 million for the Société de transport de Montréal.
- $51 million for the Agence métropolitaine de transport.

Ensure the safety of montrealers

- $662 million for the Service de police de Montréal.
- $329 million for the Service de sécurité incendie de Montréal.

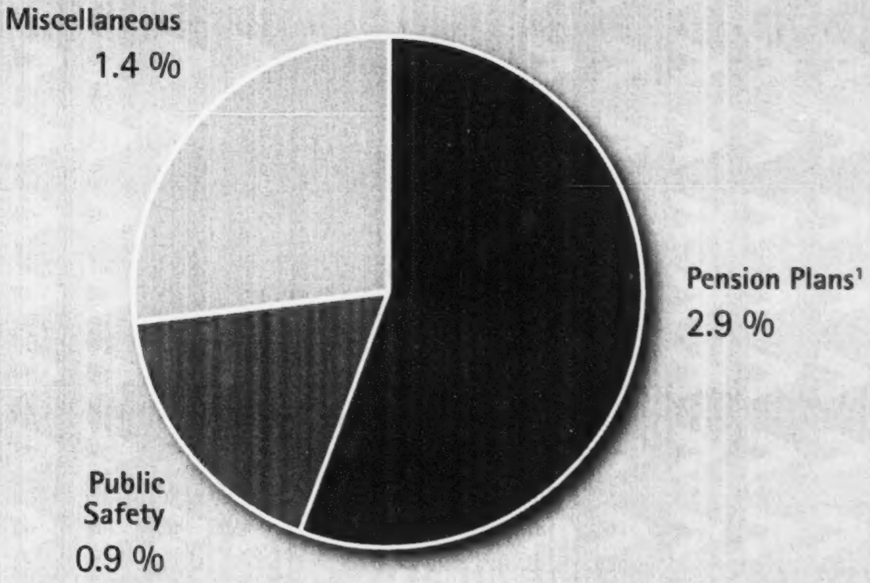
Maintain quality services for the community

- $466 million for cultural, recreational and sports activities.
- $180 million for solid waste management.
- $160 million for cleanliness and snow removal.
- $61 million to combat poverty and social exclusion.

Assert montréal's leadership role as a metropolis

- $69 million for the Montréal Biodôme, Botanical Garden and Insectarium
- $16 million for the Success@montreal (PR@M-Industry) program to promote economic development.
- $12 million for the Conseil des arts de Montréal.
- $5 million for the Pointe-à-Callière Montréal Museum of Archaeology and History.

> 5.2% Overall Budget Spending Increase



Notes

[1] This increase includes a nonrecurring charge of $132 million for the pension plans, primarily to alleviate significant fluctuations in the financial markets and to reflect changes in certain actuarial assumptions. This large increase has, however, been offset by certain relief initiatives that reduce the net impact of this charge by $90.1 million.

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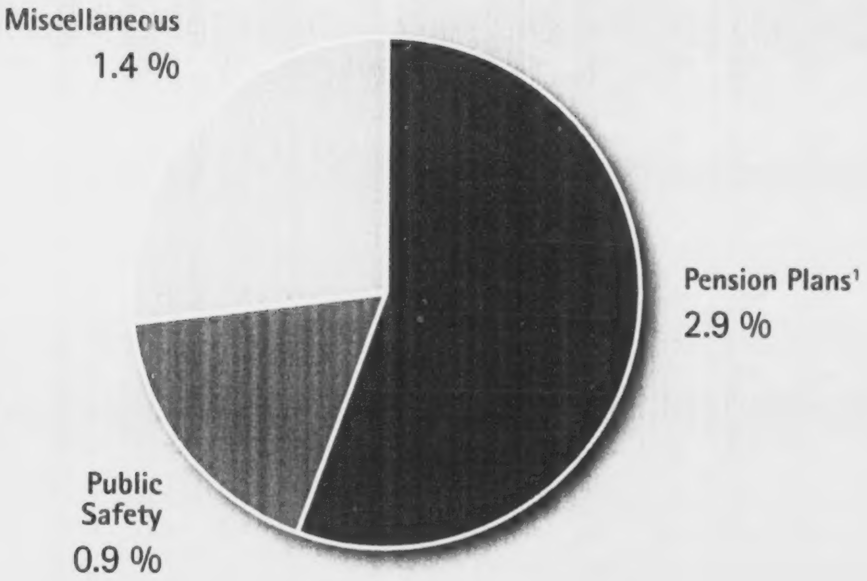

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> Focusing on Resident Needs

Montréal has made big changes over the past decade. Navigating through the maze of mergers and demergers, as well as changes in structures and jurisdictions, the City Administration has strived to build a city for its residents. It has made massive and unprecedented investments in all areas, including roads and tunnels that have suffered from decades of chronic neglect, social housing to overcome inadequate capacity and public transit afflicted by a steady decline in ridership. Major initiatives have been needed to improve the city's life quality.

Fiscal consolidation is the starting point for such immense undertakings. Through the tight and prudent management of its spending practices, as documented by the best credit ratings in Montréal's history, the city has acquired the means to achieve its goals, while keeping taxes to a minimum. The past decade's accomplishments have enabled the City Administration to meet its key objective of providing residents with excellent service within their ability to pay.

Montréal's 2012 Budget embodies the Administration's commitment to resident needs. This requires a budget focused on the city's core functions. The Administration's 2012 Budget, for example, has capped general property tax hikes at inflation levels (2.5%).

Such a modest increase was an amazing accomplishment in view of pressures on city moneys. Despite record investments in all spheres of municipal activity over the past decade, greater needs must be met. City infrastructure requires immediate spending to ensure its reliability and security, make up for a prior lack of progress and ensure the durability of city assets. It is only through the efforts of the past few years that we could put together a 2012 Budget that would meet the requirements of current and future generations.

Cutting Pension Plan Costs

The upsurge in the cost of city worker pension plans poses one of the greatest challenges to city finances. The city contributed $130 million to such plans in 2003. By 2011, pension plans consumed almost 10% ($477 million) of the municipal budget. In just one year, these costs jumped $132 million, to $609 million in the 2012 Budget.

The City Administration wants to reduce the use of tax dollars to fund city worker pension plans by slashing $50 million from such spending. One approach would be to push back the retirement age in line with current Canadian demographics. The Administration also intends to make contributions more equitable, by matching worker and city contributions. Montréal's taxpayers are now making 70% of such payments. The Administration intends to conclude new agreements with each employee group, without altering the city's current obligations.

The city has applied its best efforts to harmonizing the 28 pension plans for its different employee groups resulting from the municipal merger. Completing this process in 2012 will not only contribute to better plan management but to shrinking management costs.

Saving Money by Tightening the Budget

The city adopted one of Québec's strictest contract management policies in 2011, aimed at encouraging healthy competition, efficiency, good ethics, transparency and equity, while bolstering internal audit processes.

Two contract review committees were also created in 2011, one reporting to the City Council and the other to the Urban Agglomeration Council. Committee members must ensure that contract requests they receive comply with the tendering process and that before issuance, such contracts are reported to the appropriate authorities. They can also periodically modify review criteria and recommend improvements to the review process.

The city recently adopted a new procurement policy. It provides for harmonization of procurement practices by all business units, to help boost the productivity of municipal activities. In addition to meeting requirements of the Lobbying Transparency and Ethics Act, this policy should generate total estimated savings of more than $40 million by late 2015.

The city has also maintained its indebtedness at an average $600 million, in compliance with its debt management policy and plans additional efforts to reduce this level gradually.

For the same reasons, Montréal has established a policy of paying the labour costs of capital projects as incurred. Such expenses were previously paid through loans. As stated in the 2012 TCWP, $72 million from the overall Operating Budget will be used over the 2012 to 2014 period to repay loans owed by taxpayers, reducing loans chargeable to taxpayers by the same amount.

Cutting Taxes by Downsizing the Municipal Workforce

Almost half the city's budget is used to pay the municipal workforce. The City Administration believes that it can deliver equal service with fewer workers by boosting efficiency. The Administration accordingly has decided to eliminate 1,000 jobs by the end of 2013, provided that the level of service remains constant. Additional employees will of course be needed when increased service levels are provided. For example, the city has adopted a record $4.4 billion Three-Year Capital Works Program for 2012-2014. The Administration must hire additional staff and, in particular, engineers to follow through on this program. The workforce of the city and its boroughs will accordingly increase by 40 positions in 2012, from 21,921 person-years to 21,961 person-years. However, on a constant level basis, the change in the workforce actually translates into a net cut of 310 person-years.

Maintaining Our Investments in the Water Fund

One of a city's most important responsibilities is to manage its water. The Administration is committed to proper management of this vital public resource. Since 2004, the city has charged a special Water Tax to finance the Water Fund. This tax rises each year to pay for the water main and sewage line rehabilitation program, along with upgrades of drinking water production and wastewater treatment plants.

The Administration recently invited the public to take part in hearings on strategies for funding this community resource. The city's water management priorities must ensure the reliability and durability of municipal infrastructure for future generations, in terms of health, asset optimization and responsible financial management. Doing so will ensure that the city is not eventually overwhelmed by its mounting financial obligations.

In line with recommendations of the Commission permanente sur l'eau, l'environnement, le développement durable et les grands parcs, the City Administration will maintain its Water Fund financing strategy. The Special Water Tax will rise 0.5% for Montréal taxpayers in 2012.

Moreover, to ensure greater transparency in funding water and sewage infrastructure, the city will modify its method of replenishing the Water Fund. Until now, this fund was partly supported by the Special Water Tax as well as by general taxes, quota shares from the related municipalities and various user fees. That portion of the contribution to this fund that was paid by property taxes will now be provided by the Water Tax. This change, which has no fiscal impact because it simply involves a transfer from one tax to another, means that general property taxes will be cut in 2012, with an equivalent increase in the Water Tax. Taxpayers will now be able to find their exact contributions to the Water Fund in their tax assessment notices.

> Renovation and Rehabilitation of Montréal's Infrastructure

A decade ago, residents of the new city struggled to cope with decaying municipal infrastructure that suffered from decades of neglect. Municipal infrastructure investments stood at $265 million in 2001. By tabling the 2012-2014 TCWP in September 2011, the City Administration announced average annual infrastructure investments of some $1.5 billion. These record outlays on municipal assets will help make up for prior lapses and provide Montrealers with safe and modern infrastructure.

Continued Rehabilitation of Municipal Roads with a Qualified Workforce

The city's investments in its road system have soared more than 560% since 2001. Obviously, the city must employ qualified labour to support this effort. Under the 2012 Operating Budget, the city will set aside an additional $4.4 million for the road system to ensure the internal expertise required for work planned under the 2012-2014 TCWP.

Over $130 million will be earmarked for maintaining and upgrading the city's roads, including $2.5 million that will be used solely for minor bridge and tunnel repairs. The city increased the number of road structure inspections by 70% over the past three years. This rigorous program is providing a faithful portrait of infrastructure status.

In 2012, the City Administration will expand its bridge and tunnel crew, which possesses unexcelled knowledge of the city's structures. The six new positions for engineers, technical agents, one draughtsperson and one cost controller are vital for stepping up the pace of inspections and upgrading Montréal's civil structures.

The 2012-2014 TCWP, incidentally, has allocated over $1.6 billion for road infrastructure, including $132 million for bridges, tunnels and overpasses.

In addition to maintaining and upgrading its aging infrastructure, the city seeks opportunities for urban revitalization whenever it undertakes repairs. Wherever possible, the Administration is demolishing outdated infrastructure so that it can implement contemporary and user-friendly development projects. Good examples of these efforts include $30 million in investment for the Pie-IX/Henri-Bourassa interchange and $69 million for Phase 1 of the Bonaventure Expressway.

Effective Support for Investments in Our Water Supply System

The management and supply of water to some two million inhabitants are key priorities for the Administration. The city is spending almost 10 times more on its water supply system than it did in 2001. And this is only the start. An estimated $8.5 billion will be needed over the next decade to make up for the lack of past maintenance. The Administration has planned to make some $1.3 billion in investments during the upcoming three years alone.

The city must accordingly continue developing its internal expertise on water and on sustainable management. The 2012 Budget sets aside over $331 million for the water supply system. This amount also includes staffing nine positions to support the preventive leak detection crew. Such know-how, accompanied by municipal investments in the upgrade of its water infrastructure, has resulted in a reduction in drinking water production of around 11%.

The city intends to reduce leakage, identify water consumption for different sectors of activity and boost efficiency in drinking water consumption. As part of this process, the city intends to revive the water-meter project and add staff to this effort in 2012.

The city used blue patrols in 2011 to conduct basic audits of the island's industrial, commercial and institutional sector to help such organizations detect water losses and encourage them to obtain environmental certifications and improve their water management skills.

Finally, the wastewater disinfection project and in particular, implementation of the ozonation process, will be staffed by 14 additional workers in 2012.

> An Unequivocal Commitment to Active Transportation and Public Transit

The City Administration has restored the reputation for excellence of Montréal's public transit system and its active transportation infrastructure. The city's total contribution to the Société de transport de Montréal (STM), for example, has grown from $237 million in 2001 to $395 million in 2012. Such efforts are paying off. Furthermore, the American Public Transportation Association has ranked Montréal as North America's third leading city (behind New York and Mexico City) for per-capita use of public transit.

The city will pursue this momentum in its 2012-2014 TCWP, with planned investments of $514 million in public transit, including $105 million to create new reserved bus and taxi lanes. It will spend another $70 million on active transportation, including $30 million for developing and upgrading the bike path system and $40 million for initiatives to make life safer for pedestrians.

Investing in Public Transit

The City Administration is committed to public transit because it is easily accessible, carries riders swiftly to their destinations, emits few greenhouse gases and stimulates economic development. Public transit also helps keep vehicles off the roads and makes travel easier for everyone, including those not using this system.

In 2011, the STM, like all the city's business units, made efforts to optimize its activities and reduce spending without comprising service quality. Because of the STM's effectiveness and efficiency, it recently received an American Public Transportation Association award as Outstanding Public Transit System in North America.

The city will pay $395 million to the STM in 2012, or $5 million more than in its 2011 Adjusted Budget. In particular, the city's contribution will enable the STM to optimize service and add additional service time to its bus and metro lines and paratransit system.

The STM will also be able to continue renovating its infrastructure and systems, pursue repair projects as at the Berri-UQÀM station, expand and build transport and body shop centres and proceed with the electrification program. Montréal intends to purchase seven fully electric minibuses by late 2012 as part of its plan to transition to an entirely electric bus fleet.

The STM also plans to boost ridership by 1.25% in 2012 as part of its goal to deliver 540 million rider trips each year by 2020. The STM expects to have provided a record 400 million rider trips by December 31, 2011. The STM will continue its efforts to enhance reliability of the metro system and to meet demand in supporting this growth in ridership.

Promoting Active Transportation

The City Administration has been trying to change travel habits and behaviour over the past 10 years. Its Transportation Plan seeks to reduce dependence on the car and promote such active forms of transportation as walking and cycling.

With the self-service BIXI bike system and 530 km of bike paths, Montréal has become internationally acclaimed for the user-friendliness and safety of its cycling infrastructure. Because of its high-performance facilities and despite the limitations imposed by cold winters, the **Copenhagenize Urban Cycling Index** rated Montréal in 2011 as the world's eighth best city for urban cycling.

The number of bicycles travelling downtown Montréal's five bike paths has jumped 35%, just from 2003 to 2008. The bike links between Berri and De Maisonneuve are now North America's busiest, peaking at 7,000 trips per day.

In addition to 37 development projects and bike path upgrades scheduled for late 2012 at a cost of some $10 million, the city also intends to continue rolling out bike boxes. In 2012, new boxes will be delineated and sections of road set aside to make left turns from one bike lane to another easier and safer for cyclists.

The city also plans to continue its support and maintenance for the bike path system in 2012. Furthermore, it intends to continue creating green districts that provide an alternative to dense urban life and offer a user-friendly environment to pedestrians and cyclists. Through such multiple efforts, the city is helping to reshape Montréal and ensure excellent life quality for Montrealers of all ages.

> Safer, More Welcoming and More Pleasant Neighbourhoods

Montréal's 2012 Budget focuses on the city's core missions. The City Administration is committed to providing residents with friendly, pleasant and safe living environments. It has strived over the past decade to provide residents with a secure environment, lively and clean communities, outstanding parks and green spaces and rich and diversified cultural events.

Ensuring Public Safety

The City Administration will allocate an additional $28 million to the Service de police de Montréal (SPVM), bringing its total funding to $662 million, the city's single largest budget item. There is a good reason why Montréal ranks among the world's five safest cities. This increase will make it possible to boost the force's strength to some 4,300 officers. The city is taking this initiative to maintain consistent public-safety service levels, particularly in terms of call response time and efforts to ensure the smooth flow of traffic.

Montréal's crime rate has plunged 25% over the past decade, a remarkable improvement compared with other Canadian cities. Crimes against individuals dropped 22%, giving Montréal the fourth lowest crime rate among North America's 26 biggest cities. The overall number of offences in 2010 was 10% lower than the average for the five preceding years.

Under the heading of fire safety, the City Administration will allocate a $329 million budget to the Service de sécurité incendie de Montréal (SSIM), up $14 million from the 2011 Budget.

The SSIM will launch its fourth and penultimate year of implementing its fire-safety cover plan. This plan constitutes a vital fire risk assessment and management resource that will guide elected officials in their decision-making and help Montréal's 2,400 firefighters plan their prevention and response activities.

The fire-safety risk cover plan will increase equipment and human-resource requirements. The SSIM's additional 2012 budget needs are due to the establishment of prevention programs, the creation of two fire stations and one training centre, the purchase of eight emergency-response vehicles and wear and tear on equipment caused by a greater number of responses.

The Transportation Association of Canada presented Montréal with the 2011 Road Safety Engineering Award for the city's decision to cut speed limits on local streets to 40 km/h. The city provided $1.7 million in funding for this activity.

Maintaining the Quality of Public Services and Increasing Access to Them

Montrealers can draw on a vast range of outstanding cultural, recreational and athletic services and activities. In 2012, Montréal will spend more than $466 million to provide such activities to residents of all ages in difference sports, community, cultural and recreational centres, as well as in municipal parks and playgrounds. This figure is up $7 million from 2011. Montréal is widely acclaimed for its outstanding life quality largely because of the diversity, scope and level of activities available to the public and their access to user-friendly and well-maintained municipal facilities.

Libraries are cornerstones of such municipal services. As a key portal to culture, Montréal's free public library system went digital in 2011. Users now have online access to some 700,000 musical recordings of all kinds on the city's library site. Plans to lend digital readers have, moreover, been launched in about 10 libraries to assess user interest in this platform. New Web-based resources also offer users who wish to update their IT knowledge free computer courses on this topic.

The city also harmonized its library system and merged collections of its 43 libraries in 2011. With just one library card, every Montrealer can now obtain over four million books, periodicals and recordings at no charge through its online Nelligan catalogue. Such initiatives clearly demonstrate that the city is meeting the expectations of its residents by tailoring services to their new lifestyles.

The city will be increasing library services in 2012 to meet demand. An additional $1.6 million will be used to add staff and extend hours in several libraries.

Under the 2012-2014 TCWP, $65 million will be applied to renovating, expanding and building libraries, $50 million will be invested in the renovation and upgrading of arenas, nearly $45 million will be used to install a sports complex in Saint-Laurent and almost $28 million will serve for the construction of an indoor soccer centre at the Saint-Michel Environmental Complex. Furthermore, $152 million has been set aside for improving borough parks and nature parks.

Alleviating Poverty and Social Exclusion

The city is deploying a number of initiatives to alleviate poverty and social exclusion and to improve quality of life among the most disadvantaged members of society, improve their access to healthcare and social services and promote their return to the community.

In 2012, the city will team with other organizations in initiatives to assist less fortunate members of society and will apply $61 million to these efforts. These funds will, in particular, support many organizations that work directly with the homeless. These moneys will also assist food security projects, while helping the city boost public security, manage public areas more effectively and create housing for vulnerable individuals.

As we know, the construction and renovation of social and community housing is a crucial means of ensuring good living conditions for all Montrealers. Over $21 million of these funds will be applied to grant programs aimed at augmenting access to adequate and affordable accommodations for households at risk of poverty or social exclusion.

Protecting and Enhancing the Environment

Municipal efforts to make the city cleaner and keep traffic moving during snowstorms are helping to make public spaces more attractive, user-friendly and secure. The city will apply $160 million to clean-up and snow-removal activities in 2012.

A $180 million operating budget will also be set aside for waste management efforts in 2012. These funds are in addition to the $25 million that will be used to build new waste management facilities under the 2012-2014 TCWP. As we know, the city will spend $144.6 million over the next decade just for facilities required under the 2010-2014 Waste Management Master Plan.

The recent opening of Montréal's seventh ecocentre in LaSalle has boosted such service for Western Montréal residents. This new LEED Gold certified structure will increase capacity beyond the 85,000 tons of waste that Montrealers deposited in the six other ecocentres in 2010. Almost 71% of this amount was recycled, reused or reclaimed, rather than discarded as landfill.

Montréal, which won the 2010 Phoenix Environmental Award in the "Responsible Consumption" category, distributed more than 230,000 wheeled bins throughout the city in 20 11. These lidded containers make it easier for Montréal families to recycle more, while keeping their neighbourhoods cleaner.

Furthermore, a major public consultation process is underway in Montréal with respect to the creation of four organic waste treatment centres. The city wants to know what its residents think and has deployed mechanisms for tuning into public opinion and creating centres in each community based on resident needs.

> Affirm Montréal's Leadership as a Metropolis

The City Administration announced investments of some $404 million in major wealth generation projects when it tabled the 2012-2014 TCWP. The city is also engaging in multiple initiatives under its new 2011-2017 Economic Development Strategy to make Montréal one of North America's best cities for living standards and life quality by 2025.

Montréal is booming. The city has not seen so many cranes in the sky since the 1976 Olympics. By combining talent with creativity, teamwork, innovation, cultural vitality and proximity, the city is asserting its leadership as a metropolis.

Stimulating Montréal's Economic Development

The city is constantly boosting service levels to companies, investors and entrepreneurs. It is supporting the development of high-potential economic sectors, backing entrepreneurship and stimulating development through various programs, consulting services and grants.

Montréal is also striving to maintain the vitality of its commercial districts and keep jobs in the city, including its industrial and technological parks. The East-End Action Plan is one of several targeted initiatives under the city's new Economic Development Strategy.

This strategy comprises six stimulus projects throughout the city. They are: development of the Space for Life initiative in the Maisonneuve, development of the port area (Cité portuaire), creation of the Henri-Bourassa/Pie-IX intersection in Montréal-Nord, development of the Assomption sector and development of the area surrounding the future Saint-Léonard Station (including conversion of the sector's industrial parks) and revitalization of Old Pointe-aux-Trembles.

To support these East-End stimulus measures, the city will invest $550 million in infrastructure, development and support for development by 2017, including an annual $1 million contribution to the new Eastern Development Fund.

In 2012, the industrial component of the *Success@ Montréal* (PR@M-Industry) program will also be expanded and receive an additional $7 million for a total $16 million in funding, to support Montréal's industrial vitality, by promoting the construction, expansion or conversion of industrial structures. By enhancing this program, the city will bolster several economic spheres that make Montréal a destination known for successful business investment.

Supporting Innovation and Promoting Heritage

Montréal is internationally renowned as a major North American fashion and production centre, alongside Los Angeles and New York. As a metropolis, the city builds on its knowledge and creativity to promote international growth for its fashion designers and suppliers. This industry represents 72% of revenues generated by Québec's apparel sector.

Since its establishment in 2009, Montréal's Bureau de la mode has worked actively with key fashion industry stakeholders to focus the sector on a strategy involving a strong and distinctive identity for the Montréal market and efforts that will generate a positive impact.

In addition to funding under the 2012-2014 TCWP to revitalize Acadie-Chabanel, the city is financing several major events, including Montréal Fashion Week and the Festival Mode & Design. It is also supporting other development projects, including implementation of a program to support foreign media, foreign missions and interactive tools (including modemontreal.tv, which provides maps to local designer production and distribution facilities). In 2012, the city will maintain its support for this local industry, which provides 75% of Québec's apparel sector jobs.

Montréal's Conseil des arts will receive an additional $500,000, bringing the city's total contribution in 2012 to almost $12 million. The council launches coordination and development efforts aimed at supporting and promoting the metropolis's artistic excellence. It provides important financial support to the cultural sector and promotes young talent and diversity. The Council also provides funding and contributes to the visibility of over 300 cultural organizations that help make our metropolis such a lively and creative venue.

In addition to heritage conservation investments, including $39 million for development work under the 2012-2014 TCWP, the city also intends to maintain its $500,000 contribution to the Conseil du patrimoine de Montréal, a consultative body and a key player in protecting and promoting Montréal's natural and cultural heritage.

Furthermore, the only major archaeology museum in Québec or the rest of Canada, Pointe-à-Callière, Montréal Museum of Archaeology and History, will receive an additional $250,000, raising the city's total 2012 contribution to almost $5 million. This amount will be used to fund the redevelopment of Maison-des-Marins into a beacon of education for young people and the general public.

The Bureau du 375^{e} anniversaire de la fondation de Montréal will begin groundwork for 375th anniversary celebrations to bolster the metropolis's position as a favourite business and leisure destination. The Office de consultation publique has already conducted a large public consultation process among 700 people to find the best ideas for a festivities program that will adequately project the city's image.

Finally, the Space for Life, which includes Montréal's famed Biodôme, Botanical Garden and Insectarium, launched construction in 2011 of the future Rio Tinto Alcan Planetarium. The city will invest more than $31 million during 2012 in the construction of this planetarium, scheduled to open in 2013 under the 2012-2014 TCWP. To support these efforts, an operating budget of almost $18 million will be granted to this museum complex that is destined to become the world's largest exhibition space dedicated to human beings and nature.

> The Source of City Revenues

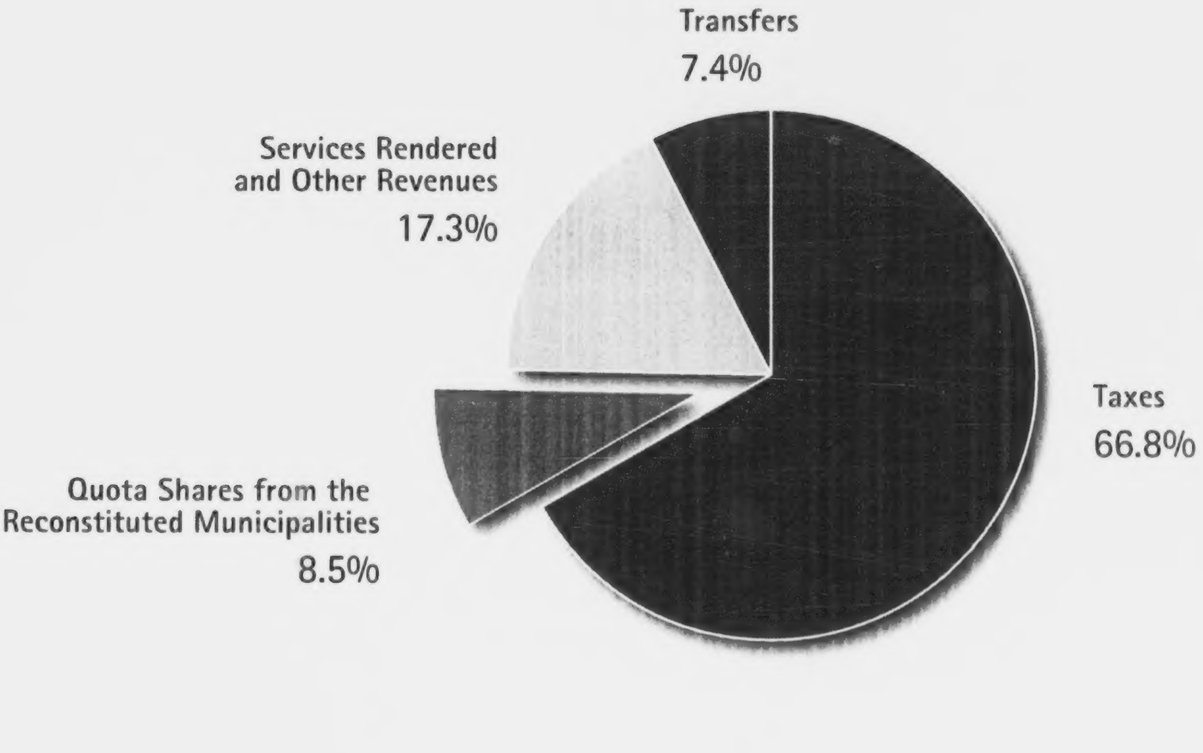
City revenues are primarily generated by property taxes and will total some $3 billion in 2012 or two thirds of total revenues.

Revenues generated by services rendered and other revenues will stand at $801.3 million and represent $17.3% of the city's total income in 2012. Transfer revenues (grants from the higher levels of government and other entities) will be $344.2 million or 7.4% of Montréal's total income for 2012.

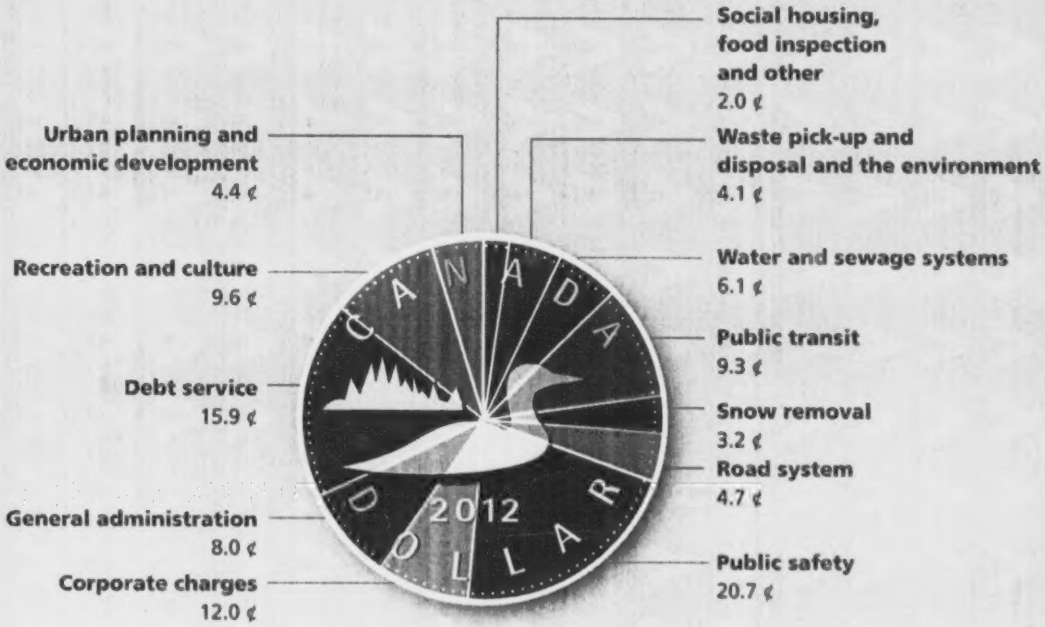
Furthermore, under *An Act to amend various legislative provisions concerning Montréal* (S.Q. 2008, c.19) urban agglomeration expenditures are funded through a system of quota shares that all of the related municipalities pay to the Urban Agglomeration Council Budget.

The reconstituted municipalities are required to contribute $393.3 million (or 8.5%) of Montréal's revenues.

This set of revenues is used to cover expenditures generated by the city's local areas of authority and by those of the urban agglomeration. As the central city, Montréal is of course responsible for administering the urban agglomeration's financial operations on behalf of all of the related municipalities.



> Your Taxes Are Important



Public Safety	20.7 ¢
Police	13.4 ¢
Fire safety	6.9 ¢
Civil security and other	0.4 ¢

Recreation and Culture	9.6 ¢
Pools, parks and playgrounds	3.4 ¢
Community centers	1.7 ¢
Libraries	1.5 ¢
Heritage, museums and exhibition centres	1.3 ¢
Skating rinks	0.8 ¢
Other	0.9 ¢

Corporate Charges	12.0 ¢
Pension plans	7.6 ¢
Contingent expenses, salary equity and other	4.4 ¢

General Administration	8.0 ¢
City Council	1.0 ¢
Law enforcement	1.2 ¢
Financial management	4.1 ¢
City Clerk's Office and property assessment	0.8 ¢
Human ressources management	0.9 ¢

2012 Tax Highlights

There will be an average 2.5% general property tax increase on residential and non-residential properties.

An additional charge, equal to 0.5% of general taxes on residential and non-residential buildings, will be applied to the Water Fund. All water-related revenues have been consolidated so that taxpayers can easily determine the percentage of their tax dollars applied to water and sewage works.

As part of the water pricing harmonization process, different residential property rates will be lowered in several of the boroughs in which they are charged. These measures will not entail any general rise in taxes.

Nine boroughs Anjou, Lachine, LaSalle, Montréal-Nord, Pierrefonds-Roxboro, Saint-Laurent, Saint-Léonard, Sud-Ouest and Verdun will either create a service tax or increase such existing taxes.

Individual tax bills may increase or decrease to different extents, depending on changes in the value of one property compared to those of others.

The property transfer tax on the portion of transactions in excess of $1 million will rise from 2.0% to 2.5%.

Change in total taxes from 2011 to 2012, by borough

Residential and non-residential property

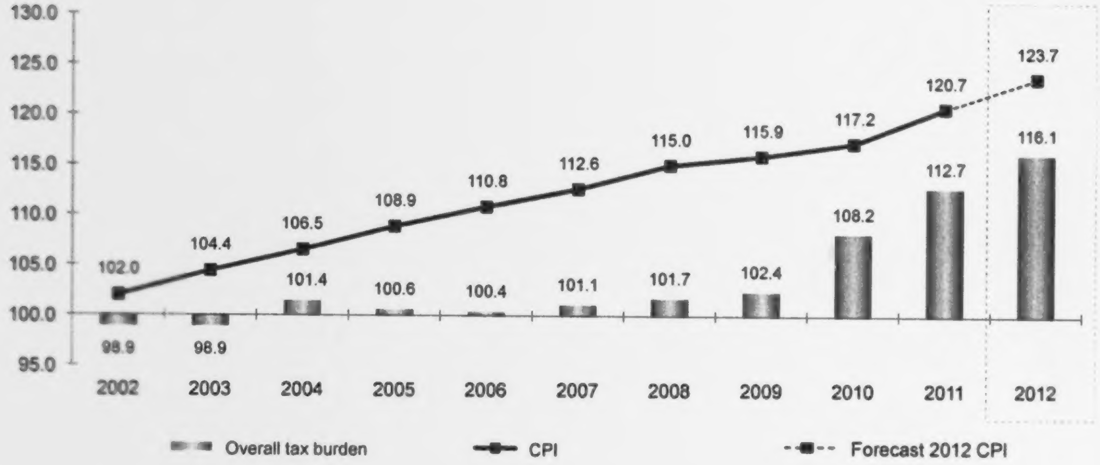
Borough	Residential Properties				Non-Residential Properties			
	General Taxes[1]	Water Tax	Borough Service Taxes	Total Taxes	General Taxes[1]	Water Tax	Borough Service Taxes	Total Taxes
Ahuntsic-Cartierville	**2.30%**	0.50%		2.80%	**2.51%**	0.46%		2.97%
Anjou	**2.45%**	0.46%	2.52%	5.43%	**2.11%**	0.52%	0.66%	3.29%
Côte-des-Neiges—Notre-Dame-de-Grâce	**2.00%**	0.50%		2.50%	**1.50%**	0.37%		1.87%
Lachine	**3.23%**	0.46%	1.00%	4.69%	**3.01%**	0.57%	0.25%	3.83%
LaSalle	**2.41%**	0.49%	0.46%	3.36%	**2.54%**	0.51%	0.11%	3.16%
L'Île-Bizard—Sainte-Geneviève	**0.57%**	0.44%		1.01%	**0.84%**	0.34%		1.18%
Mercier—Hochelaga-Maisonneuve	**3.22%**	0.50%		3.72%	**2.08%**	0.50%		2.58%
Montréal-Nord	**2.24%**	0.45%	0.46%	3.15%	**3.29%**	0.50%	0.12%	3.91%
Outremont	**4.02%**	0.54%		4.56%	**3.13%**	0.37%		3.50%
Pierrefonds-Roxboro	**1.92%**	0.48%	0.16%	2.56%	**4.05%**	0.48%	0.03%	4.56%
Plateau-Mont-Royal	**5.14%**	0.52%		5.66%	**6.08%**	0.50%		6.58%
Rivière-des-Prairies—Pointe-aux-Trembles	**2.13%**	0.48%		2.61%	**2.95%**	0.49%		3.44%
Rosemont—La Petite-Patrie	**3.88%**	0.50%		4.38%	**3.72%**	0.44%		4.16%
Saint-Laurent	**(0.42%)**	0.49%	2.01%	2.08%	**(0.17%)**	0.53%	0.50%	0.86%
Saint-Léonard	**0.59%**	0.50%	0.80%	1.89%	**2.23%**	0.55%	0.18%	2.95%
Sud-Ouest	**4.29%**	0.49%	0.10%	4.88%	**4.49%**	0.51%	0.02%	5.02%
Verdun	**1.23%**	0.49%	0.41%	2.13%	**4.15%**	0.48%	0.10%	4.73%
Ville-Marie	**1.63%**	0.51%		2.14%	**2.54%**	0.51%		3.05%
Villeray—Saint-Michel—Parc-Extension	**3.30%**	0.50%		3.80%	**3.70%**	0.50%		4.20%
MONTRÉAL	**2.50%**	**0.50%**			**2.50%**	**0.50%**		

[1] "Total taxes" include the general property tax, the Water and Road Taxes, tax tariffs, and borough investment taxes. They exclude changes relating to the Water Tax and Borough Service Taxes.

Source: Compilation updated September 15, 2011 and based on 2011 and 2012 tax parameters.

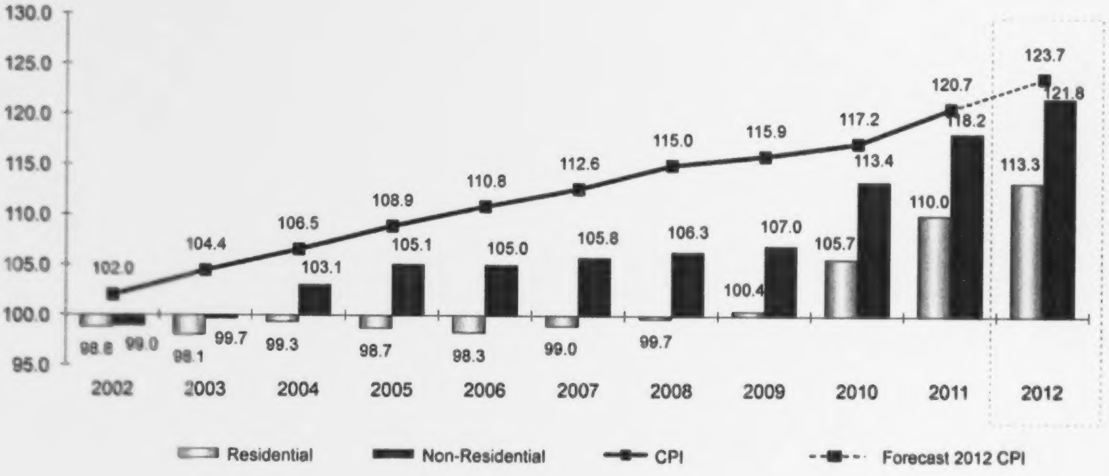
Evolution of the overall tax burden[1] and consumer price[2] indexes from 2001 to 2012

Index (2001 = 100)



Evolution of the overall tax burden[1] and consumer price[2] indexes, by building category, from 2001 to 2012

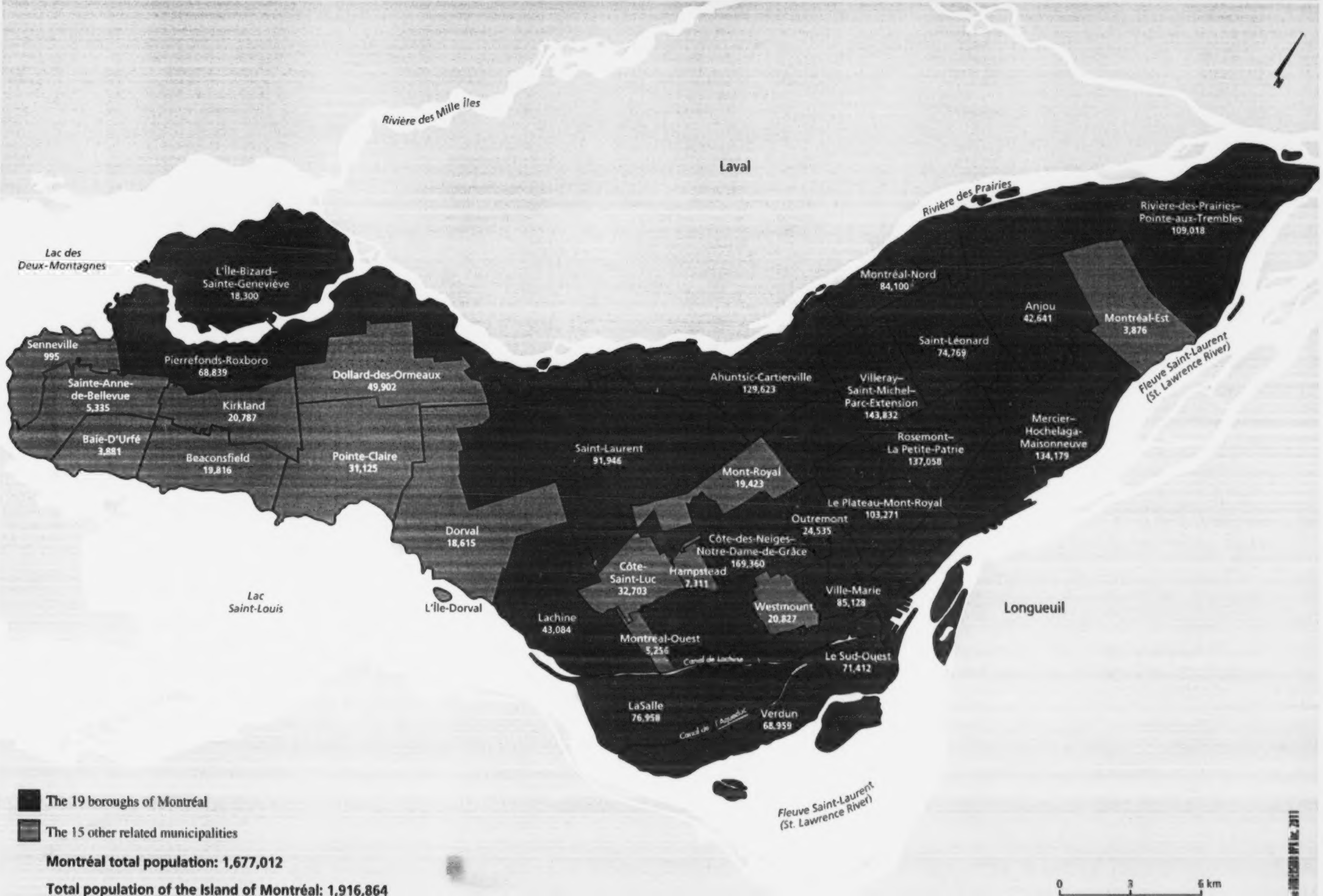
Index (2001 = 100)



[1] The overall tax burden index measures the changes of the general property tax, fiscal user fees, borough investment taxes and taxes relative to water and road. It excludes the changes of borough services taxes.

[2] Sources: Institut de la statistique du Québec and Statistics Canada.

The Island of Montréal and its Population


Rivière des Mille Îles
Laval
Rivière des Prairies
Lac des Deux-Montagnes
L'Île-Bizard–Sainte-Geneviève 18,300
Senneville 995
Pierrefonds-Roxboro 68,839
Sainte-Anne-de-Bellevue 5,335
Kirkland 20,787
Dollard-des-Ormeaux 49,902
Baie-D'Urfé 3,881
Beaconsfield 19,816
Pointe-Claire 31,125
Dorval 18,615
Saint-Laurent 91,946
Ahuntsic-Cartierville 129,623
Montréal-Nord 84,100
Anjou 42,641
Saint-Léonard 74,769
Villeray–Saint-Michel–Parc-Extension 143,832
Rosemont–La Petite-Patrie 137,058
Mercier–Hochelaga-Maisonneuve 134,179
Montréal-Est 3,876
Rivière-des-Prairies–Pointe-aux-Trembles 109,018
Fleuve Saint-Laurent (St. Lawrence River)
Mont-Royal 19,423
Le Plateau-Mont-Royal 103,271
Outremont 24,535
Côte-des-Neiges–Notre-Dame-de-Grâce 169,360
Côte-Saint-Luc 32,703
Hampstead 7,311
Westmount 20,827
Ville-Marie 85,128
Longueuil
Lac Saint-Louis
L'Île-Dorval
Lachine 43,084
Montreal-Ouest 5,256
Canal de Lachine
Le Sud-Ouest 71,412
LaSalle 76,958
Canal de l'Aqueduc
Verdun 68,959
Fleuve Saint-Laurent (St. Lawrence River)
0
3
6 km

■ The 19 boroughs of Montréal

▨ The 15 other related municipalities

Montréal total population: 1,677,012

Total population of the Island of Montréal: 1,916,864

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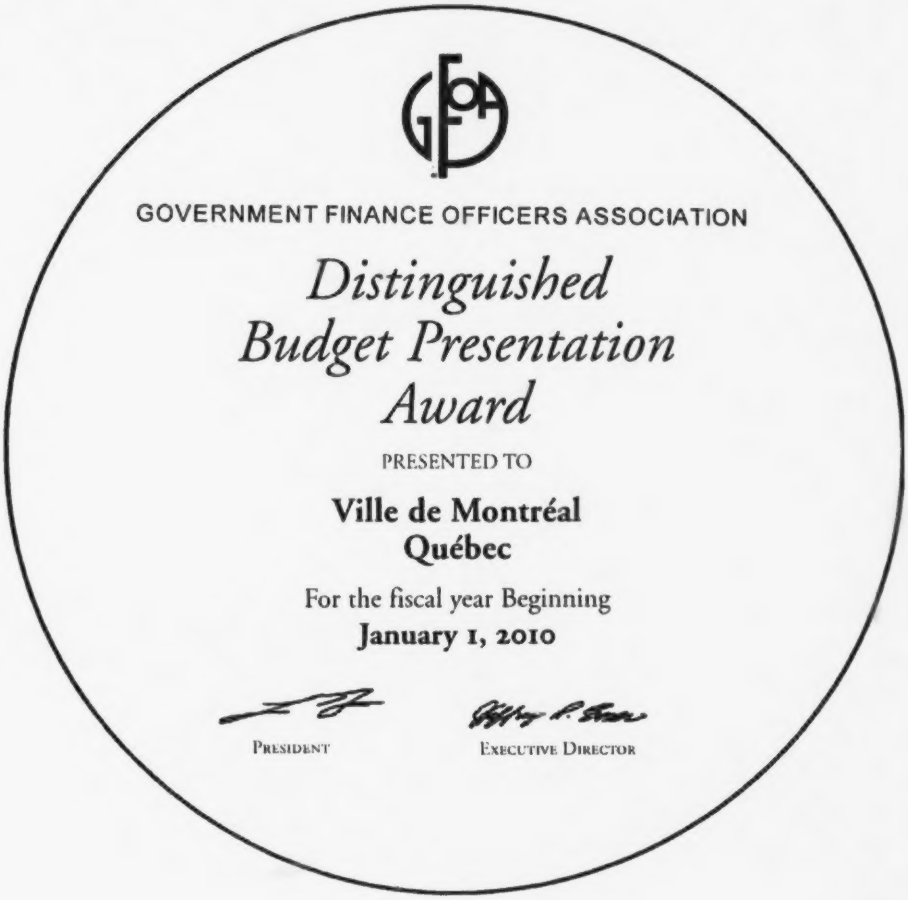
Montréal in action

VILLE DE MONTRÉAL
BUDGET 2011

Montréal



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

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Ville de Montréal
Québec

For the fiscal year Beginning
January 1, 2010

PRESIDENT

EXECUTIVE DIRECTOR

The *Government Finance Officers Association (GFOA)*, with members representing the United States and Canada, has accorded the Ville de Montréal its 2010 Distinguished Budget Presentation Award.

To earn this annual award, a public administration must produce documents that fulfill all the criteria for materials that combine general policy statements with information on financial activities and planning which may be used, as well, as communications tools.

The Montréal municipal administration feels that these budget documents respect the same criteria and intends to submit them for the 2011 Award.

Adopted by
the Montréal City Council
December 15, 2010

and

the Urban Agglomeration Council
December 17, 2010

Prepared by
The Service des finances

NOTE

Unless otherwise noted, all budgetary figures appearing in this document are represented in thousands of dollars.

USER GUIDE TO THE BUDGET

The 2011 Budget documents are distributed to some readers in both printed and Web-based formats. For others, these texts will only be available on the Service des finances Web site at **ville.montreal.qc.ca**/finances.

2011 Budget (French version available December 1, 2010 in printed and Web-based formats)

Messages and Treasurer's Certificate	▪ Messages from the Mayor and the Vice-Chair of the Executive Committee, responsible for Finance, the City Manager and the Treasurer and the Treasurer's Certificate
Profile of Montréal	▪ The city's Organizational Chart, names of Council, Executive Committee and standing committee members and a description of the economic situation
Introduction	▪ Presentation of the budget and its key components
Budget by Activity	▪ The Ville de Montréal's budget by municipal function and an analysis of municipal and agglomeration operating activities
Budget by Business Unit	▪ The Ville de Montréal's budget in terms of its organizational structure
Three-Year Capital Works Program (TCWP)	▪ The 2011-2013 TCWP in short ▪ Property acquisitions by asset category ▪ Funding methods by asset category ▪ Property acquisitions by business unit ▪ Impact on the Operating Budget ▪ Breakdowns of the City Council budget and the Urban Agglomeration Council budget by project and by program
Debt and Financial Portrait	▪ A picture of the city's indebtedness
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Quota Shares	▪ Quota shares under the responsibility of the Urban Agglomeration Council
Additional Information	▪ The Expenditure Budget by item and an analysis of remuneration and the municipal workforce
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Budget and Three-Year Capital Works Program by Borough and City Department (*Web only as of December 1, 2010*)

- Organizational chart, revenues and expenditures by activity, as well as investment plans for each borough and the city departments.

Cahier d'information complémentaire (In French – *Web only as of December 1, 2010*)

- The Cahier d'information complémentaire (supplementary information book) contains texts pertaining to changes, actions and municipal projects that have a direct bearing on the city's financial management. This book can also be used to develop more information on topics of current budgetary or financial interest and to place them within their respective socio-economic contexts.

Miscellaneous (*Web only*)

- The 2011 Consolidated Budget.
- Financial Policies.
- Prior Capital Works Programs and Budgets.
- Prior and Current Annual and Financial Reports.
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MESSAGE FROM THE MAYOR AND THE VICE-CHAIR OF THE EXECUTIVE COMMITTEE, RESPONSIBLE FOR FINANCE

Ladies and Gentlemen,

The budget that we are presenting today expresses our administration's deep desire to continue providing Montréal residents with excellent service within their ability to pay.

This budget attests to all of the efforts that the Montréal administration is deploying to optimize the efficiency of its activities by first launching a review of its operating procedures within the city workforce and by then tightening operating regulations and pooling certain activities.

It also reconfirms the importance that our administration places on renovating and rehabilitating our water and road infrastructure, enhancing our heritage assets and improving our sports and park facilities. These activities will require investments of $790 million in 2011. Our administration recognizes the need to accelerate the restoration of our assets while limiting city debt.

This budget once again demonstrates our commitment to active transportation and public transit, as illustrated by our basic contribution to the STM, which we have once again increased by almost 8% over that of last year. The city will use its enabling powers to fund this increased contribution by levying a tax on vehicles registered on the Island of Montréal.

This budget also reiterates our desire to meet the needs of Montréal families. We will continue introducing initiatives in 2011 to make our residential neighbourhoods more attractive and welcoming to families, particularly by setting aside some $30 million for our various housing programs, including the one dedicated to home ownership.

In view of its determination to make Montréal a model of sustainable development, our administration will continue investing, particularly in the development and acquisition of green spaces, increased quantities of recycled materials and the treatment and re-use of waste.

Furthermore, as part of this overall effort to ensure Montréal's full development, we shall continue working enthusiastically with our partners to forge the way in building an internationally acclaimed cultural metropolis that serves as the engine of Québec's economic development.

In addition to these investments to support the creation and development of Montréal as a prime destination, we shall continue investing in major projects undertaken by our partners as part of the Montréal 2025 vision. The metropolis's growth starts with the effort we put into it and our ability to deliver on our goals. That is why the city will renew its Investment Fund in 2011 and apply more than $124 million to wealth-creation projects, like the first phase of the Montréal Harbourfront and the Quartier de la santé projects and additional work on the Quartier des spectacles.

Last spring, we expanded the scope of the finance committees to include elected representatives from all parties and the related municipalities, so that their members can participate in the process of analysis and deliberation prior to tabling of the budget.

It is out of an increased concern for efficiency, transparency and renewal that all elected officials and all city employees will work together in carrying out the priorities that are presented here. In 2011, we shall be more devoted than ever before to moving forward, restoring confidence to residents and to providing good stewardship of our city, of its assets and of its future.

Gérald Tremblay
Mayor of Montréal and
Chairman of the Executive Committee

Alan DeSousa, FCA
Vice-Chair of the Executive Committee,
Responsible for Finance

MESSAGE FROM THE CITY MANAGER AND THE TREASURER

Dear Fellow Residents,

We are very proud to present the Ville de Montréal's 2011 Budget to you today. This budget proposes bold initiatives that attest to our city's leadership in sound financial management.

Montréal, of course, is much more than a city. It is an international metropolis soon to celebrate its 375th anniversary, with a rich heritage and a large asset base to be preserved and renovated. Montréal is more than Québec's most urbanized community. It has become a model of sustainable development. The services that Montréal renders to the surrounding island's 1.9 million residents provide them with a safer and more enriching environment.

Delivering such services on a consistent basis requires wise, prudent and tight management of public funds, along with vital internal controls. Such requirements also entail our ability to deploy long-term financial strategies in response to the economic situation and unforeseen events. Our role in city government is to oversee all of these processes in the least costly, most efficient and most transparent manner possible, so that we can afford excellent service to residents, in line with our city administration's far-reaching and practical goals.

The Mayor of Montréal recently instructed us to generate recurring savings of $250 million by late 2012, while carrying out priority activities that he had established for 2011. This daunting challenge, aimed at minimizing the rise in general taxes, will require a thorough revamping of our operating procedures.

In 2010, we began deploying a set of initiatives to create an even more efficient organization. These included improving the contract award and project management process and bolstering internal expertise in key municipal areas. These efforts served to reduce 2011 contract costs, integrate different business processes and enhance long-term planning tools.

Fast tracking this optimization process will result in even greater achievements for fiscal 2011. We will begin by reviewing support activities, particularly in city departments and quasi-municipal corporations, to cut costs and redirect as much funding as possible to services for residents. Some areas to be reviewed include human and financial resources, procurement, legal services and communications and information technologies. Over the year, we will focus on other sectors in which we can modify and integrate our procedures to attain our goal of $250 million in recurring savings. We will assess the impact of this effort by comparing our key indicators with other high-efficiency organizations that are comparable to Montréal.

While this budget reflects initiatives that began last year, their common thread is a conscientious, committed and skilled municipal workforce that enables us to meet demands posed by the city administration. These employees deserve all the credit and we offer them our deep appreciation for their commitment.

Louis L. Roquet

Louis Roquet
City Manager

Robert Lamontagne
Treasurer and Principal Director
Service des finances

CERTIFICATE OF THE TREASURER

I confirm, as Treasurer of the Ville de Montréal responsible for issuing a certificate under s. 93 of Apppendix C of the Charter of Ville de Montréal (RSQ, c. C-11.4), that budgetary appropriations will be available for expenditures forecast in the budget under the responsibility of the City Council and in the budget under the responsibility of the Urban Agglomeration Council, in their respective areas of authority.

(in thousands of dollars)

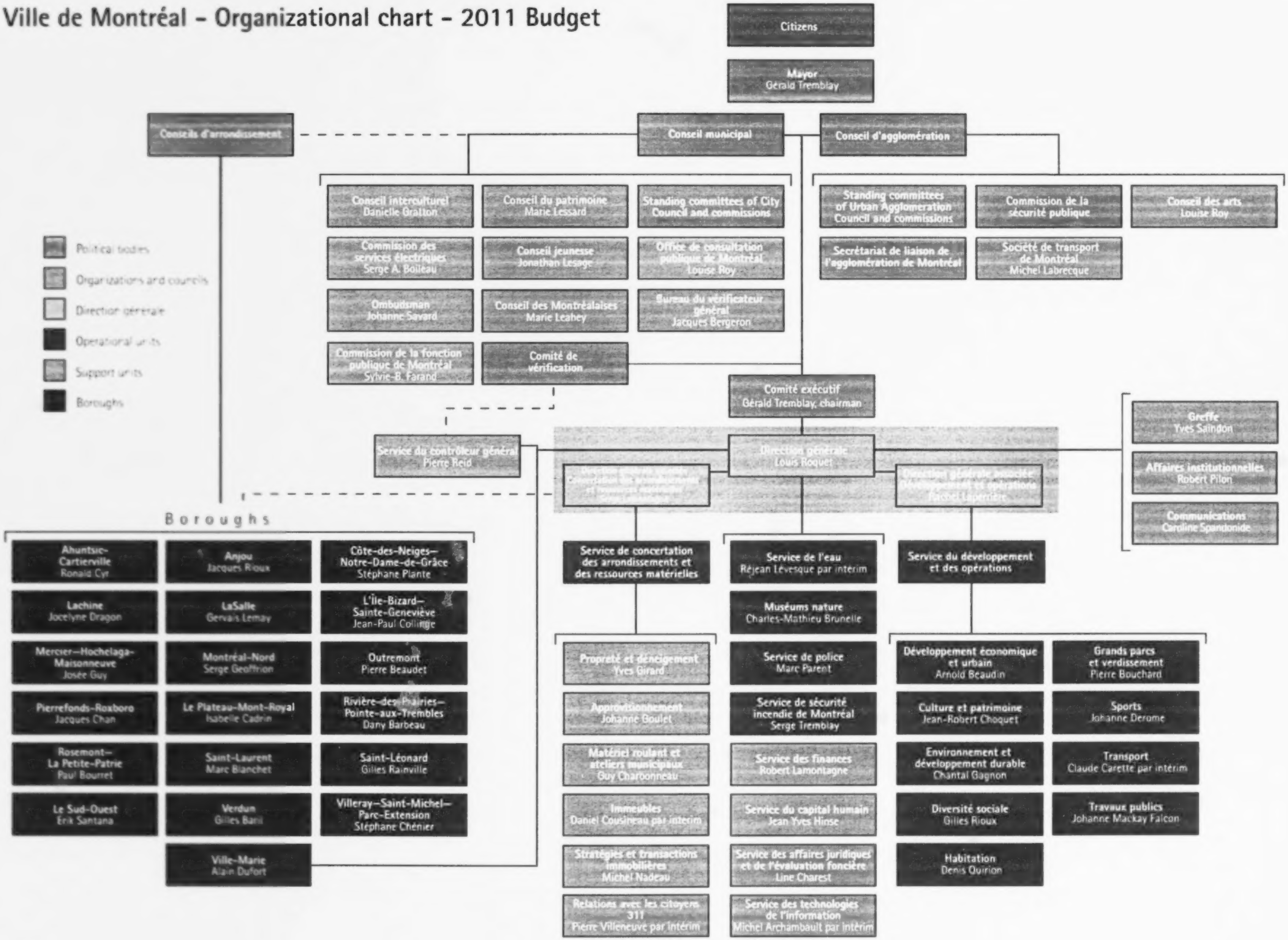
		City Council Budget	*Urban Agglomeration Budget*
a)	**Debt service**		
	Total debt service cost breakdown:		
	▪ Financing expenses	260,283.3	150,552.2
	▪ Repayment of long-term debt	224,236.5	141,952.3
b)	**Obligations resulting from laws or decisions that have been or will be made**		
	▪ Signing of leases and awarding of contracts for the delivery of supplies and services	518,180.5	256,210.2
	▪ Granting of financial contributions and municipal assistance	95,362.8	525,319.9
	▪ Salaries, wages and employer contributions	1,039,852.9	1,179,846.0

Robert Lamontagne
Treasurer

December 1, 2010

MONTRÉAL PROFILE

Ville de Montréal - Organizational chart - 2011 Budget


Citizens
Mayor
Gérald Tremblay
Conseils d'arrondissement
Conseil municipal
Conseil d'agglomération
Conseil interculturel
Danielle Gratton
Conseil du patrimoine
Marie Lessard
Standing committees of City Council and commissions
Standing committees of Urban Agglomeration Council and commissions
Commission de la sécurité publique
Conseil des arts
Louise Roy
Commission des services électriques
Serge A. Boileau
Conseil jeunesse
Jonathan Lesage
Office de consultation publique de Montréal
Louise Roy
Secrétariat de liaison de l'agglomération de Montréal
Société de transport de Montréal
Michel Labrecque
Ombudsman
Johanne Savard
Conseil des Montréalaises
Marie Leahey
Bureau du vérificateur général
Jacques Bergeron
Commission de la fonction publique de Montréal
Sylvie-B. Farand
Comité de vérification
Political bodies
Organizations and councils
Direction générale
Operational units
Support units
Boroughs
Comité exécutif
Gérald Tremblay, chairman
Greffe
Yves Saindon
Affaires institutionnelles
Robert Pilon
Communications
Caroline Spandonide
Service du contrôleur général
Pierre Reid
Direction générale
Louis Roquet
Direction générale associée
Concertation des arrondissements
et ressources matérielles
Direction générale associée
Développement et opérations
Rachel Laperrière
Boroughs
Ahuntsic-Cartierville
Ronald Cyr
Anjou
Jacques Rioux
Côte-des-Neiges–Notre-Dame-de-Grâce
Stéphane Plante
Lachine
Jocelyne Dragon
LaSalle
Gervais Lemay
L'Île-Bizard–Sainte-Geneviève
Jean-Paul Collinge
Mercier–Hochelaga-Maisonneuve
Josée Guy
Montréal-Nord
Serge Geoffrion
Outremont
Pierre Beaudet
Pierrefonds-Roxboro
Jacques Chan
Le Plateau-Mont-Royal
Isabelle Cadrin
Rivière-des-Prairies–Pointe-aux-Trembles
Dany Barbeau
Rosemont–La Petite-Patrie
Paul Bourret
Saint-Laurent
Marc Blanchet
Saint-Léonard
Gilles Rainville
Le Sud-Ouest
Erik Santana
Verdun
Gilles Bani
Villeray–Saint-Michel–Parc-Extension
Stéphane Chénier
Ville-Marie
Alain Dufort
Service de concertation des arrondissements et des ressources matérielles
Service de l'eau
Réjean Lévesque par intérim
Service du développement et des opérations
Muséums nature
Charles-Mathieu Brunelle
Propreté et déneigement
Yves Girard
Approvisionnement
Johanne Boulet
Matériel roulant et ateliers municipaux
Guy Charbonneau
Immeubles
Daniel Cousineau par intérim
Stratégies et transactions immobilières
Michel Nadeau
Relations avec les citoyens 311
Pierre Villeneuve par intérim
Service de police
Marc Parent
Service de sécurité incendie de Montréal
Serge Tremblay
Service des finances
Robert Lamontagne
Service du capital humain
Jean Yves Hinse
Service des affaires juridiques et de l'évaluation foncière
Line Charest
Service des technologies de l'information
Michel Archambault par intérim
Développement économique et urbain
Arnold Beaudin
Grands parcs et verdissement
Pierre Bouchard
Culture et patrimoine
Jean-Robert Choquet
Sports
Johanne Derome
Environnement et développement durable
Chantal Gagnon
Transport
Claude Carette par intérim
Diversité sociale
Gilles Rioux
Travaux publics
Johanne Mackay Falcon
Habitation
Denis Quirion

Montréal

23 novembre 2010

City Department Structure

- The **Service de la direction générale** (general administration) is responsible for the administration of city business, international and institutional relations, the city clerk's office, the Nature Museums, corporate communications, media relations and the digital printing and visual design centre.
- The **Service de l'eau** (water) is responsible for water management.
- The **Service de la concertation des arrondissements et des ressources matérielles** (coordination of the boroughs and material resources) is responsible for procurement, rolling stock, the municipal shops, the clean-up and snow removal unit, information distributed to residents, the call centre, management of the city's property and buildings used for corporate purposes and for ensuring an integrated, concerted and coherent approach to actions of the different boroughs and the city departments in providing services.
- The **Service de la sécurité incendie** (fire protection) is responsible for emergency preparedness, emergency organization, prevention, response and technical know-how.
- The **Service de police** (police department) is responsible for law enforcement, maintenance of public order, investigations, internal affairs, strategic planning, taxis, towing, 9-1-1 emergency communications and enforcement of parking regulations.
- The **Service des affaires juridiques et de l'évaluation foncière** (legal services and property assessment) is responsible for civil and criminal matters and for property assessment.
- The **Service des finances** (finance) is responsible for the business plan, the budget, accounting, taxation, collection of revenues, investments, financing, the payroll and management of the retirement plans.
- The **Service des technologies de l'information** (IT services) is responsible for information and geomatic systems.
- The **Service du capital humain** (human resources) is responsible for the management of human resources.
- The **Service du contrôleur général** (controller general) is responsible for supporting the audit and control structures.
- The **Service du développement et des opérations** (development and operations) is responsible for culture and heritage, social diversity and sports, the large parks and greening, management of Mount Royal Park, transportation, the road system, traffic, the environment and sustainable development, economic development, urban planning and housing.

This structure is further enhanced by other business units that do not report directly to the Executive Committee. These units are the **Bureau du vérificateur général** (auditor's office), the **Commission de la fonction publique** (city workforce commission), the **Commission des services électriques** (electrical service commission) and the **Secrétariat de liaison** (liaison office). The city also makes financial contributions to a number of organizations, including the Conseil des arts (arts council), the Société de transport de Montréal (Montréal transportation authority), the Office de consultation publique de Montréal (public consultation office), the Ombudsman and the Conseil du patrimoine (heritage council).

Details on the budgets of the boroughs and the city departments appear on the city's Web site at: **ville.montreal.qc.ca**/finances.

MEMBERS OF THE CITY COUNCIL

Gérald Tremblay, Mayor

- **Applebaum, Michael**
  Côte-des-Neiges–Notre-Dame-de-Grâce
- **Ayotte, Élaine**
  Rosemont–La Petite-Patrie
- **Barbe, Manon**
  LaSalle
- **Bélanger, Daniel**
  Le Sud-Ouest
- **Bélanger, Richard**
  L'Île-Bizard–Sainte-Geneviève
- **Benjamin, Frantz**
  Villeray–Saint-Michel–Parc-Extension
- **Bergeron, Richard**
  Le Plateau-Mont-Royal
- **Bissonnet, Michel**
  Saint-Léonard
- **Blanchard, Laurent**
  Mercier–Hochelaga-Maisonneuve
- **Bourgeois, Caroline**
  Rivière-des-Prairies–Pointe-aux-Trembles
- **Brunet, Étienne**
  Ahuntsic-Cartierville
- **Calderone, Maria**
  Rivière-des-Prairies–Pointe-aux-Trembles
- **Campbell, Jocelyn Ann**
  Ahuntsic-Cartierville
- **Chitilian, Harout**
  Ahuntsic-Cartierville
- **Cinq-Mars, Marie**
  Outremont
- **Clarke, Susan**
  Côte-des-Neiges–Notre-Dame-de-Grâce
- **Cowell-Poitras, Jane**
  Lachine
- **Croteau, François W.**
  Rosemont–La Petite-Patrie
- **Dauphin, Claude**
  Lachine
- **Décarie, Suzanne**
  Rivière-des-Prairies–Pointe-aux-Trembles
- **Deguire, Gilles**
  Montréal-Nord
- **Deros, Mary**
  Villeray–Saint-Michel–Parc-Extension
- **Deschamps, Richard**
  LaSalle
- **DeSousa, Alan**
  Saint-Laurent
- **Dorais, Benoit**
  Le Sud-Ouest
- **Dubois, Christian G.**
  Pierrefonds-Roxboro
- **Duplessis, Josée**
  Le Plateau-Mont-Royal
- **Farinacci, Alvaro**
  LaSalle
- **Ferrandez, Luc**
  Le Plateau-Mont-Royal
- **Forcillo, Sammy**
  Ville-Marie
- **Fotopulos, Helen**
  Côte-des-Neiges–Notre-Dame-de-Grâce
- **Fournier, Véronique**
  Le Sud-Ouest
- **Gadoury, Marc-André**
  Rosemont–La Petite-Patrie
- **Gagnier, Pierre**
  Ahuntsic-Cartierville
- **Gibeau, Jean-Marc**
  Montréal-Nord
- **Harel, Louise**
  Mercier–Hochelaga-Maisonneuve
- **Hénault, Andrée**
  Anjou
- **Lampron, Pierre**
  Rosemont–La Petite-Patrie
- **Lefebvre, Elsie**
  Villeray–Saint-Michel–Parc-Extension
- **Limoges, François**
  Rosemont–La Petite-Patrie
- **Mainville, Pierre**
  Ville-Marie
- **Marotte, Ginette**
  Verdun
- **McQueen, Peter**
  Côte-des-Neiges–Notre-Dame-de-Grâce
- **Ménard, Réal**
  Mercier–Hochelaga-Maisonneuve
- **Miele, Francesco**
  Saint-Laurent
- **Miranda, Luis**
  Anjou
- **Norris, Alex**
  Le Plateau-Mont-Royal
- **Perez, Lionel**
  Côte-des-Neiges–Notre-Dame-de-Grâce

- **Perri, Dominic**
  Saint-Léonard
- **Primeau, Gaëtan**
  Mercier–
  Hochelaga-Maisonneuve
- **Robillard, François**
  Ville-Marie
- **Rotrand, Marvin**
  Côte-des-Neiges–
  Notre-Dame-de-Grâce
- **Rouleau, Chantal**
  Rivière-des-Prairies–
  Pointe-aux-Trembles
- **Salem, Aref**
  Saint-Laurent
- **Samson, Anie**
  Villeray–
  Saint-Michel–
  Parc-Extension
- **Tassé, Alain**
  Verdun
- **Teti-Tomassi, Clementina**
  Montréal-Nord
- **Thériault, Lyn**
  Mercier–
  Hochelaga-Maisonneuve
- **Thuillier, Émilie**
  Ahuntsic-Cartierville
- **Trudel, Claude**
  Verdun
- **Venneri, Frank**
  Villeray–
  Saint-Michel–
  Parc-Extension
- **Ward, Bertrand A.**
  Pierrefonds-Roxboro
- **Worth, Monique**
  Pierrefonds-Roxboro
- **Zambito, Robert L.**
  Saint-Léonard

MEMBERS OF THE URBAN AGGLOMERATION COUNCIL

Mayor **Gérald Tremblay** has appointed the following elected officials to represent Montréal on the Urban Agglomeration Council:

- **Applebaum, Michael**
  Borough mayor
  Côte-des-Neiges–Notre-Dame-de-Grâce
- **Barbe, Manon**
  Borough mayor
  LaSalle
- **Bélanger, Richard**
  Borough mayor
  L'Île-Bizard–Sainte-Geneviève
- **Bissonnet, Michel**
  Borough mayor
  Saint-Léonard
- **Cinq-Mars, Marie**
  Borough mayor
  Outremont
- **Croteau, François W.**
  Borough mayor
  Rosemont–La Petite-Patrie
- **Deguire, Gilles**
  Borough mayor
  Montréal-Nord
- **Deschamps, Richard**
  City councillor
  LaSalle
- **DeSousa, Alan**
  Borough mayor
  Saint-Laurent
- **Mainville, Pierre**
  City councillor
  Ville-Marie
- **Miranda, Luis**
  Borough mayor
  Anjou
- **Samson, Anie**
  Borough mayor
  Villeray–Saint-Michel–Parc-Extension
- **Trudel, Claude**
  Borough mayor
  Verdun
- **Worth, Monique**
  Borough mayor
  Pierrefonds-Roxboro

The mayors of the reconstituted municipalities also sit on the Urban Agglomeration Council. Dollard-Des Ormeaux has an additional representative who is appointed by its mayor.

- **Coutu, Robert**
  Mayor of Montréal-Est
- **Deroo, Francis**
  Mayor of Sainte-Anne-de-Bellevue
- **Housefather, Anthony**
  Mayor of Côte Saint-Luc
- **Janiszewski, Edward**
  Mayor of Dollard-Des Ormeaux
- **Masella, Beny**
  Mayor of Montréal-Ouest
- **McLeish, George**
  Mayor of Senneville
- **McMurchie, Bill**
  Mayor of Pointe-Claire
- **Meaney, John W.**
  Mayor of Kirkland
- **Pollock, David**
  Mayor of Beaconsfield
- **Rouleau, Edgar**
  Mayor of Dorval*
- **Roy, Philippe**
  Mayor of Mont-Royal
- **Steinberg, William**
  Mayor of Hampstead
- **Trent, Peter F.**
  Mayor of Wesmount
- **Tutino, Maria**
  Mayor of Baie-D'Urfé
- Representative of
  Dollard-Des Ormeaux :

  Gauthier, Colette
  January 1 to June 30, 2011

  Bayouk, Zoe
  July 1 to December 31, 2011

* The Mayor of Dorval also represents Île-Dorval.

MEMBERS OF THE BOROUGH COUNCILS

Gérald Tremblay, Mayor

Boroughs

Ahuntsic-Cartierville

- **Gagnier, Pierre**
  Borough mayor
- **Brunet, Étienne**
  City councillor
  District du Sault-au-Récollet
- **Campbell, Jocelyn Ann**
  City councillor
  District de Saint-Sulpice
- **Chitilian, Harout**
  City councillor
  District de Bordeaux-Cartierville
- **Thuillier, Émilie**
  City councillor
  District d'Ahuntsic

Anjou

- **Miranda, Luis**
  Borough mayor
- **Beaudry, Gilles**
  Borough councillor
  District de l'Ouest
- **Di Genova Zammit, Michelle**
  Borough councillor
  District du Centre
- **Hénault, Andrée**
  City councillor
- **Perron, Paul-Yvon**
  Borough councillor District de l'Est

Côte-des-Neiges–
Notre-Dame-de-Grâce

- **Applebaum, Michael**
  Borough mayor
- **Clarke, Susan**
  City councillor
  District de Loyola
- **Fotopulos, Helen**
  City councillor
  District de Côte-des-Neiges
- **McQueen, Peter**
  City councillor
  District de Notre-Dame-de-Grâce
- **Perez, Lionel**
  City councillor
  District de Darlington
- **Rotrand, Marvin**
  City councillor
  District de Snowdon

Lachine

- **Dauphin, Claude**
  Borough mayor
- **Blanchet, Bernard**
  Borough councillor
  District de J.-Émery-Provost
- **Cloutier, Jean-François**
  Borough councillor
  District du Fort-Rolland
- **Cowell-Poitras, Jane**
  City councillor
- **Poulin, Lise**
  Borough councillor
  District du Canal

LaSalle

- **Barbe, Manon**
  Borough mayor
- **Blackhurst, Ross**
  Borough councillor (position 1)
  District du Sault-Saint-Louis
- **Cesari, Vincenzo**
  Borough councillor
  (position 1)
  District de Cecil-P.-Newman
- **Deschamps, Richard**
  City councillor
  District du Sault-Saint-Louis
- **Farinacci, Alvaro**
  City councillor
  District de Cecil-P.-Newman
- **Palestini, Laura-Ann**
  Borough councillor
  (position 2)
  District du Sault-Saint-Louis
- **Troilo, Josée**
  Borough councillor
  (position 2)
  District de Cecil-P.-Newman

Le Plateau-Mont-Royal

- **Ferrandez, Luc**
  Borough mayor
- **Bergeron, Richard**
  City councillor
  District de Jeanne-Mance
- **Boileau, Carl**
  Borough councillor
  District de De Lorimier
- **Duplessis, Josée**
  City councillor
  District de De Lorimier
- **Huggins, Piper**
  Borough councillor
  District de Jeanne-Mance
- **Norris, Alex**
  City councillor
  District de Mile-End
- **Ryan, Richard**
  Borough councillor
  District de Mile-End

Le Sud-Ouest

- **Dorais, Benoit**
  Borough mayor
- **Bélanger, Daniel**
  City councillor
  District de Saint-Paul–Émard
- **Fournier, Véronique**
  City councillor
  District de Saint-Henri–Petite-Bourgogne–Pointe-Saint-Charles
- **Roy, Huguette**
  Borough councillor
  District de Saint-Paul–Émard
- **Thiébaut, Sophie**
  Borough councillor
  District de Saint-Henri–Petite-Bourgogne–Pointe-Saint-Charles

L'Île-Bizard–Sainte-Geneviève

- **Bélanger, Richard**
  Borough mayor
- **Dugas, Éric**
  Borough councillor
  District de Sainte-Geneviève
- **Gibb, Diane**
  Borough councillor
  District de Pierre-Foretier
- **Little, Christopher**
  Borough councillor
  District de Denis-Benjamin-Viger
- **Robert, François**
  Borough councillor
  District de Jacques-Bizard

Mercier–Hochelaga-Maisonneuve

- **Ménard, Réal**
  Borough mayor
- **Blanchard, Laurent**
  City councillor
  District d'Hochelaga
- **Harel, Louise**
  City councillor
  District de Maisonneuve–Longue-Pointe
- **Primeau, Gaëtan**
  City councillor
  District de Tétreaultville
- **Thériault, Lyn**
  City councillor
  District de Louis-Riel

Montréal-Nord

- **Deguire, Gilles**
  Borough mayor
- **Gibeau, Jean-Marc**
  City councillor
  District d'Ovide-Clermont
- **Ricourt, Monica**
  Borough councillor
  District d'Ovide-Clermont
- **Rossi, Chantal**
  Borough councillor
  District de Marie-Clarac
- **Teti-Tomassi, Clementina**
  City councillor
  District de Marie-Clarac

Outremont

- **Cinq-Mars, Marie**
  Borough mayor
- **Forget, Céline**
  Borough councillor
  District de Joseph-Beaubien
- **Moffatt, Louis**
  Borough councillor
  District de Claude-Ryan
- **Nunes, Ana**
  Borough councillor
  District de Jeanne-Sauvé
- **Potvin, Marie**
  Borough councillor
  District de Robert-Bourassa

Pierrefonds-Roxboro

- **Worth, Monique**
  Borough mayor
- **Beis, Dimitrios Jim**
  Borough councillor
  District de l'Est
- **Clément-Talbot, Catherine**
  Borough councillor
  District de l'Ouest
- **Dubois, Christian G.**
  City councillor
  District de l'Est
- **Ward, Bertrand A.**
  City councillor
  District de l'Ouest

Rivière-des-Prairies–Pointe-aux-Trembles

- **Rouleau, Chantal**
  Borough mayor
- **Blanchet, Mario**
  Borough councillor
  District de La Pointe-aux-Prairies
- **Bourgeois, Caroline**
  City councillor
  District de La Pointe-aux-Prairies
- **Calderone, Maria**
  City councillor
  District de Rivière-des-Prairies
- **Décarie, Suzanne**
  City councillor
  District de Pointe-aux-Trembles
- **Déziel, Gilles**
  Borough councillor
  District de Pointe-aux-Trembles
- **Rapanà, Giovanni**
  Borough councillor
  District de Rivière-des-Prairies

Rosemont–La Petite-Patrie

- **Croteau, François W.**
  Borough mayor
- **Ayotte, Élaine**
  City councillor
  District de Marie-Victorin
- **Gadoury, Marc-André**
  City councillor
  District d'Étienne-Desmarteau

- **Lampron, Pierre**
  City councillor
  District du Vieux-Rosemont
- **Limoges, François**
  City councillor
  District de Saint-Édouard

Saint-Laurent

- **DeSousa, Alan**
  Borough mayor
- **Biron, Michèle D.**
  Borough councillor
  District de Norman-McLaren
- **Cohen, Maurice**
  Borough councillor
  District de Côte-de-Liesse
- **Miele, Francesco**
  City councillor
  District de Côte-de-Liesse
- **Salem, Aref**
  City councillor
  District de Norman-McLaren

Saint-Léonard

- **Bissonnet, Michel**
  Borough mayor
- **Battista, Mario**
  Borough councillor
  District de Saint-Léonard-Ouest
- **Perri, Dominic**
  City councillor
  District de Saint-Léonard-Ouest
- **Tremblay, Lili-Anne**
  Borough councillor
  District de Saint-Léonard-Est
- **Zambito, Robert L.**
  City councillor
  District de Saint-Léonard-Est

Verdun

- **Trudel, Claude**
  Borough mayor
- **Beaupré, Paul**
  Borough councillor (position 1)
  District de Champlain–L'Île-des-Sœurs
- **Champoux, Andrée**
  Borough councillor (position 2)
  District de Champlain–L'Île-des-Sœurs
- **Guy, Ann**
  Borough councillor (position 1)
  District de Desmarchais-Crawford
- **Marotte, Ginette**
  City councillor
  District de Champlain–L'Île-des-Sœurs
- **Savard, André**
  Borough councillor (position 2)
  District de Desmarchais-Crawford
- **Tassé, Alain**
  City councillor
  District de Desmarchais-Crawford

Ville-Marie

- **Tremblay, Gérald**
  Mayor of Montréal and Borough mayor
- **Campbell, Jocelyn Ann**
  Borough councillor
  chosen by the mayor
- **Deschamps, Richard**
  Borough councillor
  chosen by the mayor
- **Forcillo, Sammy**
  City councillor
  District de Peter-McGill
- **Mainville, Pierre**
  City councillor
  District de Sainte-Marie
- **Robillard, François**
  City councillor
  District de Saint-Jacques

Villeray–Saint-Michel–Parc-Extension

- **Samson, Anie**
  Borough mayor
- **Benjamin, Frantz**
  City councillor
  District de Saint-Michel
- **Deros, Mary**
  City councillor
  District de Parc-Extension
- **Lefebvre, Elsie**
  City councillor
  District de Villeray
- **Venneri, Frank**
  City councillor
  District de François-Perrault

In conformity with the act on the exercise of certain municipal powers, some boroughs are divided into electoral districts. In these cases, the district name is indicated below that of the councillor.

City councillors sit on the city council as well as on a borough council. Borough councillors only sit on a borough council.

MEMBERS OF THE EXECUTIVE COMMITTEE

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Mayor
Chairman

Michael Applebaum
Vice-Chairman

Alan DeSousa, FCA
Vice-Chairman

Manon Barbe
Member

Michel Bissonnet
Member

Mary Deros
Member

Richard Deschamps
Member

Helen Fotopulos
Member

Lyn Thériault
Member

Claude Trudel
Member

Monique Worth
Member

Associate Councillors

Richard Bélanger
Frantz Benjamin
Harout Chitilian
Marie Cinq-Mars

Jane Cowell-Poitras
Ginette Marotte
Aref Salem
Alain Tassé

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Vice-Chairs
Marvin Rotrand
Élaine Ayotte

Members
Frantz Benjamin
Michel Bissonnet
Anie Samson
Clementina Teti-Tomassi
Émilie Thuillier
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Members
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Vincenzo Cesari
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François Limoges
Giovanni Rapanà
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Sammy Forcillo
Peter McQueen
Lionel Perez
Marie Potvin
Lili-Anne Tremblay

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Vice-Chair
Elsie Lefebvre

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Marie Potvin
François Robillard
André Savard
Sophie Thiébaut
Robert L. Zambito

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Vice-Chair
Ginette Marotte

Members
Mario Battista
Daniel Bélanger
Caroline Bourgeois
Suzanne Décarie
Josée Duplessis
Lise Poulin

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Vice-Chair
Étienne Brunet

Members
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Harout Chitilian
Maurice Cohen
Michelle Di Genova Zammit
Huguette Roy
Richard Ryan

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Vice-Chair
Maria Tutino

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Gaëtan Primeau
Aref Salem
Peter F. Trent
Bertrand A. Ward

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Vice-Chair
Edgar Rouleau

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Benoit Dorais
Ginette Marotte
Beny Masella
François Robert

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Maurice Cohen
Pierre Lampron
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Josée Troilo

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Members
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Alvaro Farinacci
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Ana Nunes
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Réal Ménard

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Susan Clarke
Jean-Marc Gibeau
William Steinberg
Robert L. Zambito
Samir Rizkalla (representative of the Québec government)

THE ECONOMIC SITUATION [1]

The economic situation is on an upswing in Montréal and throughout the metropolitan region, as the table on the following page illustrates.

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[1] This review of the economic situation is based on the latest data available at the time this document was prepared (mid-September 2010).

Table 1
Key Indicators for the Montréal Urban Agglomeration

	2008	2009	Variation 2009/2008	2010 Trend
Economy			%	
Gross Domestic Product at Base Price, Montréal CMA (in millions of 2002 dollars)	123,459	122,309	-0.9	↗
Gross Domestic Product per Inhabitant (in $)	32,791	32,060	-2.2	↗
Labour Market			%	
Jobs (in thousands)	956.2	918.3	-4.0	↗
Full-time Jobs (in thousands)	775.0	748.5	-3.4	↗
Part-time Jobs (in thousands)	181.3	169.9	-6.3	↗
Labour Force (in thousands)	1,046.9	1,033.6	-1.3	↗
Employment Rate (percentage)	60.1	57.5	- 2.6% points	↗
Activity Rate (percentage)	65.7	64.8	- 0.9% point	↗
Unemployment Rate (percentage)	8.7	11.1	+ 2.4% points	↘
Number of Establishments	59,803	60,455	1.1	n/a
Number of Commercial Bankruptcies	657	610	-7.2	↘
Number of Personal Bankruptcies	7,217	8,613	19.3	↘
Number of Unemployed	90,700	115,200	27.0	↘
Number of Welfare Recipients	58,344	59,955	2.8	↘
Personal Disposable Income per Inhabitant (in $)	26,368	26,579	0.8	↗
Capital Expenditure			%	
Capital Expenditure Investments (in millions of dollars)	11,836	11,742	-0.8	↗
Private Sector Investments	8,228	7,330	-10.9	↘
Public Sector Investments	3,609	4,412	22.2	↗
Building Permit Value - Non-Residential (in millions of dollars)	1,013	1,061	4.7	↗
Commercial	659	623	-5.5	↗
Industrial	113	139	23.0	↘
Institutional	240	298	24.2	↗
Number of Building Permits – non-residential	3,390	3,204	-5.5	↗
Commercial	2,665	2,482	-6.9	↗
Industrial	361	234	-35.2	↘
Institutional	364	488	34.1	↗
Vacancy Rate of Industrial Premises - Center Sector (percentage)	8.3	7.8	- 0.5% point	↘
Vacancy Rate of Office Premises Downtown (percentage)	5.7	8.7	+ 3% points	↗
Housing			%	
Housing Strarts (number)	5,868	5,364	-8.6	↗
Building Permit Values - Residential Sector (in millions of dollars)	1,012	941	-7.0	↗
Number of Building Permits – residential	9,779	11,259	15.1	↗
Home Sales (number)	15,584	16,283	4.5	↗
Average Selling Price of a Condominium (in $)	215,000	227,000	5.6	↗
Vancancy Rate – residential (percentage)	2.5	2.6	+ 0.1% point	n/a
Average Monthly Rent, Two-Bedroom Apartment (in dollars)	671	681	1.5	n/a
Capital Expenditures in the Housing Sector (in millions of dollars)	2,272	2,308	1.6	↘
Knowledge*			%	
Patents (Number)	475	502	5.7	↗
University Research (grants in millions of dollars)	963	1,060	10.1	↗
University Students (number)	166,318	166,965	0.4	↗
University Diplomas (number)	41,132	41,767	1.5	↗
Demographics			%	
Population (number of persons)	1,897,279	1,906,811	0.5	n/a
Natural Increase (number of persons)	7,795	8,051	3.3	↗
Migration Balance (number of persons)	1,183	2,834	--	n/a
International Immigration (number of new immigrants)	33,181	33,084	-0.3	n/a
Transportation and Tourism			%	
Freight Traffic at the Port de Montréal (in millions of tonnes)	27.9	24.5	-12.0	↗
Cruise Companies Hosted by the Port de Montréal (number)	39,636	38,764	-2.2	n/a
Passengers Travelling through Montréal's Airport (in thousands)	12,813	12,207	-4.7	↗
Number of Flights at the Montréal-Trudeau Airport	225,452	212,436	-5.8	↗
Ridership on Bus and Métro (in millions of passengers)	382.5	382.8	0.1	↗
Number of Kilometres Traveled – Bus and Métro (in millions)	149	154	3.6	↗
Tourists (in thousands)	7,396	7,078	-4.3	↗
Tourist Spendings for a Stay of at least 24 hours (in millions of dollars)	2,136	2,001	-6.3	↗
Hotel Occupancy Rate (percentage)	65.3	61.0	- 4.3% points	↗
Hotel Room Occupancy (number of rooms in thousands)	3,695	3,522	-4.7	↗

* The data contained in the knowledge section are those of 2007 and 2008

2011-2014 Outlook for the Metropolitan Region

According to Conference Board of Canada forecasts, we can look forward to economic growth in 2011. Such growth should continue until at least 2014.

Table 2
Key Indicators: Conference Board of Canada Forecast, Montréal CMA, 2011 to 2014

	2011	2012	2013	2014
Key Indicators	%	%	%	%
Inflation	3.2	2.7	2.1	2.2
Gross Domestic Product	2.3	2.7	2.7	2.4
Population	1.1	1.1	1.1	1.1
Jobs	1.1	1.7	0.9	0.9
Unemployment Rate	8.0	7.8	7.4	7.1
Disposable Income per Inhabitant	1.1	3.4	3.1	3.0
Construction Starts	-14.1	-10.3	-0.6	4.6
Retail Sales	4.1	4.2	3.9	3.8

Source: Conference Board of Canada.

This text is a summary of the economic situation in the Montréal urban agglomeration. Readers may consult the Cahier d'information complémentaire (in French) at **ville.montreal.qc.ca**/finances.

INTRODUCTION

PRESENTATION OF THE BUDGET

The city budget has been organized under the rules of the ministère des Affaires municipales, des Régions et de l'Occupation du territoire (MAMROT) for presenting municipal information according to standards of the Public Sector Accounting Board (PSAB). This year, operating activities under the budgets of the City Council and of the Urban Agglomeration Council will be considered together.

Under *An Act respecting the exercise of certain municipal powers in certain urban agglomerations*, Montréal is the central city of the agglomeration. This means that Montréal is responsible for the management of:

- Services falling under **urban agglomeration authority** for the Island of Montréal's 16 related municipalities (the 15 reconstituted cities and the Ville de Montréal, which is itself divided into 19 boroughs).
- Services falling under **local responsibility** within the Ville de Montréal ("residual city"), which is divided into 19 boroughs.

As the residual city, Montréal has prepared a single budget. The financial information contained in this document is presented in accordance with the new governance structure, which requires the budget to be broken down by **area of authority** (in terms of the decision-making bodies holding such authority).

Some of the Ville de Montréal's expenditures for exercising the urban agglomeration's authorities in its role as the central city must be charged to the Urban Agglomeration Council's budget. Administrative expenditures for exercising urban agglomeration authorities must also be charged to the Urban Agglomeration Council's budget.

Certain expenditures have mixed functions and fall under the authority of both the Urban Agglomeration Council and the City Council. These expenditures pertain to general administration activities (finance,human resources, etc.) that are paid out of the Urban Agglomeration Council Budget at an administration expenditures rate and to general administration activities (transportation, recreation, culture, etc.) that are calculated according to the type of activity or project concerned and apportioned on the basis of various criteria. All mixed expenditures are distributed in accordance with the mixed expenditure sharing by-law adopted by the Urban Agglomeration Council.

Agglomeration expenditures are largely funded by quota shares paid by the 16 related municipalities. These shares are calculated under rules set out by MAMROT.

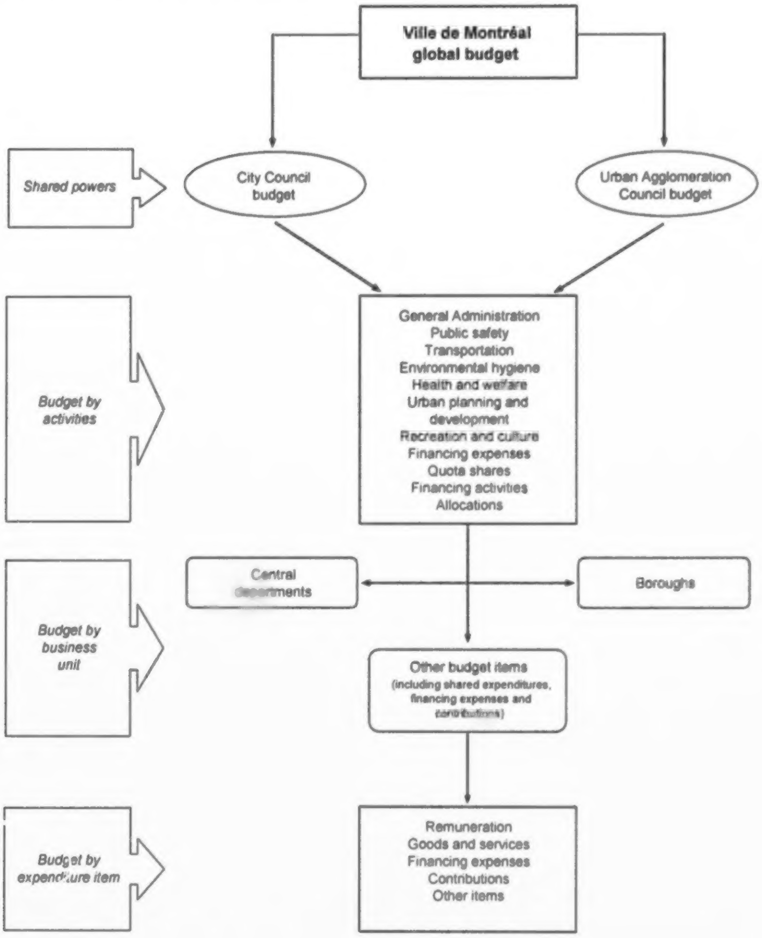
Additional information on the distribution of expenditures between the Urban Agglomeration Council and the City Council appears in Appendix 2.

More specifically, the Ville de Montréal Budget:

- Lists revenue and expenditure items by operating activity.
- The city's organizational structure, by borough, by city departments and by budget item (shared expenditures, financing expenses and contributions).
- Expenditures by item.
- Capital works projects included in the 2011-2013 Three-Year Capital Works Program.

Figure 1 illustrates the presentation of Montréal's 2011 Budget.

Figure 1
Presentation of the City's Global Budget


Ville de Montréal global budget
Shared powers
City Council budget
Urban Agglomeration Council budget
Budget by activities
General Administration
Public safety
Transportation
Environmental hygiene
Health and welfare
Urban planning and development
Recreation and culture
Financing expenses
Quota shares
Financing activities
Allocations
Budget by business unit
Central departments
Boroughs
Other budget items (including shared expenditures, financing expenses and contributions)
Budget by expenditure item
Remuneration
Goods and services
Financing expenses
Contributions
Other items

BUDGET BY ACTIVITY

KEY FACTORS EMPLOYED IN FORMULATING THE 2011 BUDGET

Formulation of the 2011 Budget has been guided by the desire to continue providing Montréal residents with a high quality of service, within their ability to pay.

Furthermore, principles of sound management of public funds, inclusion of policies with a budgetary impact and the City Administration's desire to cap the growth in expenditures also directed the manner in which this budget was prepared with respect to revenues, expenditures and allocations for both the City Council and the Urban Agglomeration Council budgets.

Expenditure-Related Factors

The expenditure structure reflects the maintenance and evolution of municipal activities and responsibilities, in view of the Administration's budgetary choices.

Certain expenditure strategies were selected in preparing the budget. Because of the city's commitment to keep expenditure growth to a minimum, its business units had to set priorities and re-plan their budgets so that they would be able to pay for different kinds of cost increases (such as wage adjustments and anticipated inflation of 2.5% in contract indexing and other costs) through their allotments.

The City Administration recently promised to cut operating expenditures some $250 million by 2012, with $125 million of these reductions slated for 2011. Such additional efforts correspond with finance committee recommendations arising from the 2011 budgetary process because they are aimed at lowering costs of the city's existing activities and at minimizing property tax increases.

Optimization projects are already underway to make this plan a reality. Results will be gradual, however, and not all of these savings can be achieved by January 1, 2011. Still, the city will have made expenditure cuts of $125 million by late 2011 and such reductions will continue to recur in full over subsequent fiscal years.

Moreover, for the second year in a row, the budget must make a large contribution to retirement plan payments to offset major swings of financial markets in 2008, for example and to address new projections of future yields and mortality tables. To mitigate a portion of the rise in expenditures, the administration has however implemented relief measures for amounts forecasts.

Montréal's has also boosted its basic contribution to public transit by some $32.1 million in the 2011 Budget.

Financing expenses were calculated based on capital expenditures to be paid in 2011 and on financing strategies for future debt. An interest rate of 6% was used in formulating these projections.

Revenue-Related Factors

Most revenues in the Urban Agglomeration Council Budget are derived from a quota share system paid by all of the related municipalities, including Montréal.

Assumptions that have been applied to projected tax revenues and payments in lieu of taxes for the City Council Budget are based on an estimated $1.8 billion growth of the tax base in 2011. These assumptions are calculated in line with historic trends and an analysis of construction projects in the anticipated economic context. A survey of currently active construction sites suggests this prediction is realistic and sensible.

Revenues to be paid under the new financial and fiscal partnership between the Government of Québec and its municipalities for the 2007-2013 period have also been included in these calculations.

Other revenue-related factors that were taken into account include:

- A rise in general tax burden capped at 2.5%.
- Introduction of an urban agglomeration vehicle registration tax.
- Increased funding for upgrading the water supply, representing a rise of 1.2% in the tax burden for residential and of 1% for non-residential properties.
- Reintroduction of the special road tax, representing a rise of 0.5% in the tax burden for residential and of 0.7% for non-residential properties.

A rate of 3.5% has been used to calculate long-term investments associated with the amortization fund and a rate of 1.2% has been used in estimating short-term revenues generated by cash flow management.

STATEMENT OF OPERATING ACTIVITIES FOR TAX PURPOSES

The Statement of Operating Activities for Tax Purposes provides a summary of the Ville de Montréal's Operating Budget by revenues, expenditures and quota shares for funding urban agglomeration activities, financing activities and allocations.

Table 3
Statement of Operating Activities for Tax Purposes – City Budget

(In thousands of dollars)

	Real 2009	Global comparison 2010	Global budget 2011	% Change 2011-2010
Revenues				
Taxes	2,433,251.7	2,595,244.0	2,732,750.2	5.3
Payments in lieu of taxes	204,615.9	211,675.5	228,324.3	7.9
Quota shares	320,495.2	361,447.5	378,899.7	4.8
Services rendered and other revenues	734,632.4	749,055.9	735,890.0	(1.8)
Transfers	333,226.6	337,555.6	363,870.4	7.8
Total revenues	4,026,221.8	4,254,978.5	4,439,734.6	4.3
Expenditures				
General administration	354,891.7	710,830.3	771,554.0	8.5
Public security	891,319.6	907,244.3	952,996.7	5.0
Transportation	727,605.9	781,072.0	812,156.9	4.0
Environmental hygiene	356,587.8	429,047.4	428,085.6	(0.2)
Health and welfare	94,022.5	99,066.3	99,245.6	0.2
Urban planning and development	180,513.3	196,506.4	212,460.7	8.1
Recreation and culture	443,587.4	438,007.6	461,060.4	5.3
Financing expenses	390,444.8	418,764.4	410,835.5	(1.9)
Total expenditures	3,438,973.0	3,980,538.7	4,148,395.4	4.2
Quota shares for financing urban agglomeration activities				
Financing				
Long-term financing of operating activities	0,0	(39,400.0)	(7,676.5)	(80.5)
Repayment of long-term debt	348,477.6	352,119.5	366,188.8	4.0
Total financing	348,477.6	312,719.5	358,512.3	14.6
Total expenditures, quota shares and financing	3,787,450.6	4,293,258.2	4,506,907.7	5.0
Surplus (deficit) before allocations	238,771.2	(38,279.7)	(67,173.1)	
Allocations				
Capital assets activities	(23,851.5)	(22,776.8)	(69,504.4)	
Repayment of capital	0,0	(11,448.4)	(8,971.2)	
Allocated operating surplus (deficit), financial reserve and reserved funds	1,391.5	49,535.1	64,511.3	
Amounts forecast for the future	(216,842.1)	22,969.8	81,137.4	
Total allocations	(239,302.1)	38,279.7	67,173.1	
Operating surplus (deficit) for tax purposes	(530.9)	-	-	

Table 3
Statement of Operating Activities for Tax Purposes – City Budget
(In thousands of dollars)

	City Council budget 2011	Urban Agglomeration Council budget 2011	Inter-entity transactions to be eliminated[1] 2011	Global budget 2011
Revenues				
Taxes	2,703,509.9	29,240.3	0,0	**2,732,750.2**
Payments in lieu of taxes	228,324.3	0,0	0,0	**228,324.3**
Quota shares	0,0	2,047,096.3	(1,668,196.6)	**378,899.7**
Services rendered and other revenues	583,473.9	193,985.3	(41,569.2)	**735,890.0**
Transfers	204,577.4	159,293.0	0,0	**363,870.4**
Total revenues	3,719,885.5	2,429,614.9	(1,709,765.8)	**4,439,734.6**
Expenditures				
General administration	453,006.7	359,853.5	(41,306.2)	**771,554.0**
Public security	16,885.6	936,111.1	0.0	**952,996.7**
Transportation	348,823.8	463,333.1	0,0	**812,156.9**
Environmental hygiene	189,573.9	238,511.7	0.0	**428,085.6**
Health and welfare	59,324.6	39,921.0	0.0	**99,245.6**
Urban planning and development	155,243.2	57,480.5	(263.0)	**212,460.7**
Recreation and culture	387,717.5	73,342.9	0.0	**461,060.4**
Financing expenses	260,283.3	150,552.2	0.0	**410,835.5**
Total expenditures	1,870,858.6	2,319,106.0	(41,569.2)	**4,148,395.4**
Quota shares for financing urban agglomeration activities	1,668,196.6	0,0	(1,668,196.6)	-
Financing				
Long-term financing of operating activities	(7,676.5)	0,0	0,0	**(7,676.5)**
Repayment of long-term debt	224,236.5	141,952.3	0.0	**366,188.8**
Total financing	216,560.0	141,952.3	-	**358,512.3**
Total expenditures, quota shares and financing	3,755,615.2	2,461,058.3	(1,709,765.8)	**4,506,907.7**
Surplus (deficit) before allocations	(35,729.7)	(31,443.4)	-	**(67,173.1)**
Allocations				
Capital assets activities	(21,158.0)	(48,346.4)	0,0	**(69,504.4)**
Repayment of capital	(8,941.1)	(30.1)	0,0	**(8,971.2)**
Allocated operating surplus (deficit), financial reserve and reserved funds	64,399.3	112.0	0.0	**64,511.3**
Amounts forecast for the future	1,429.5	79,707.9	0,0	**81,137.4**
Total allocations	35,729.7	31,443.4	-	**67,173.1**
Operating surplus (deficit) for tax purposes	-	-	-	-

---

[1] Transactions to be eliminated result from the exchange of billed services between business units. These eliminations pertain to two types of transactions:

- Internal transactions resulting from the exchange of billed services between business units within a given reporting entity.
- Inter-entity transactions resulting from the exchange of billed services between business units in which the supplier is based in a reporting entity different from that of the client (municipal and urban agglomeration).

Chart 1
Sources of Revenue

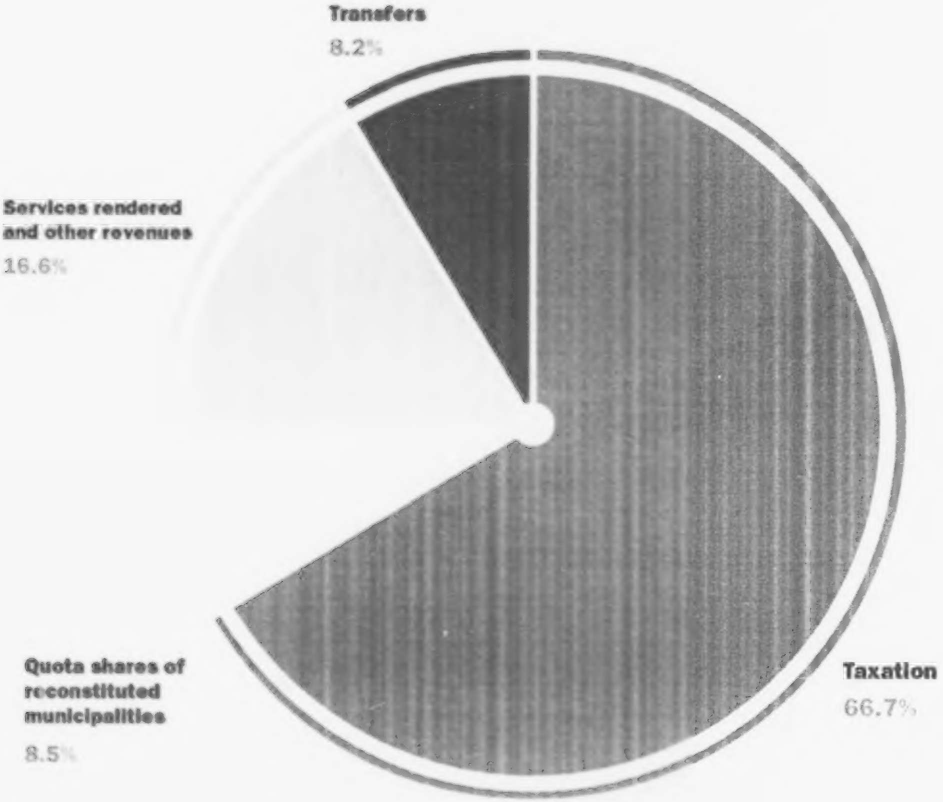


Chart 2
Expenditures by Function

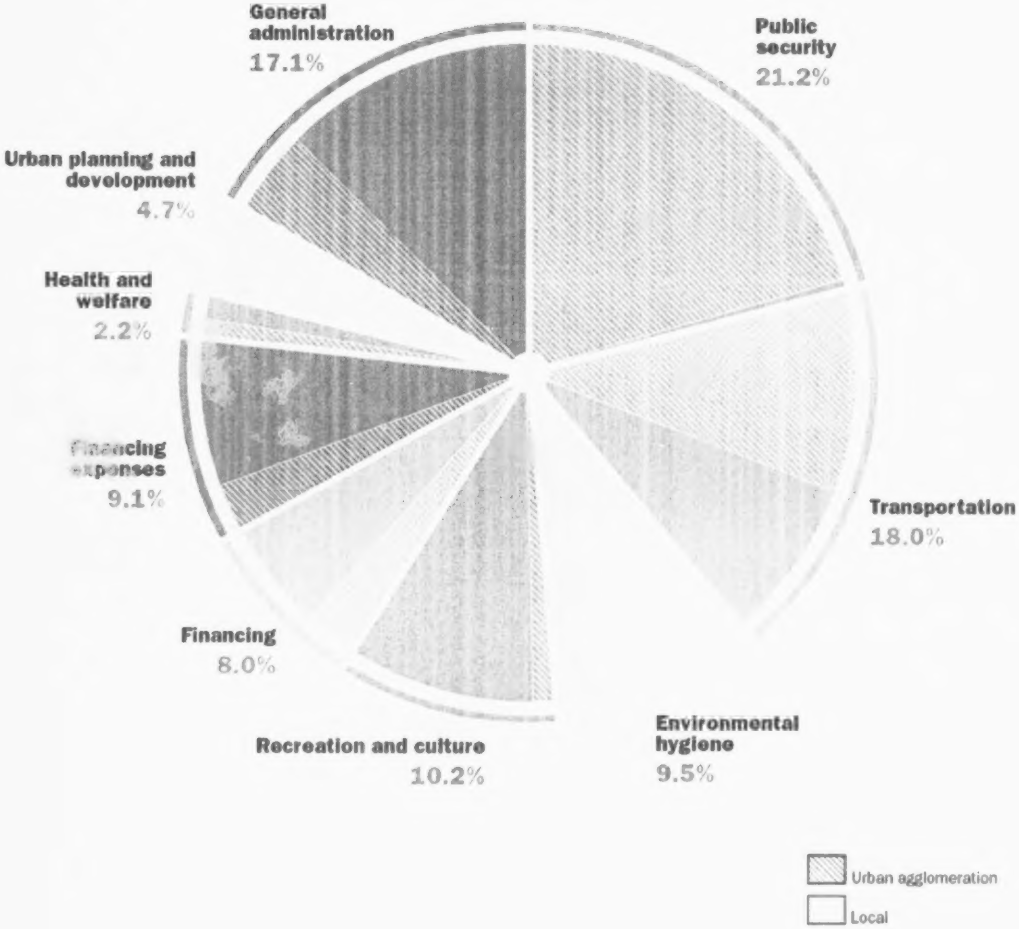


Chart 1
Sources of Revenue

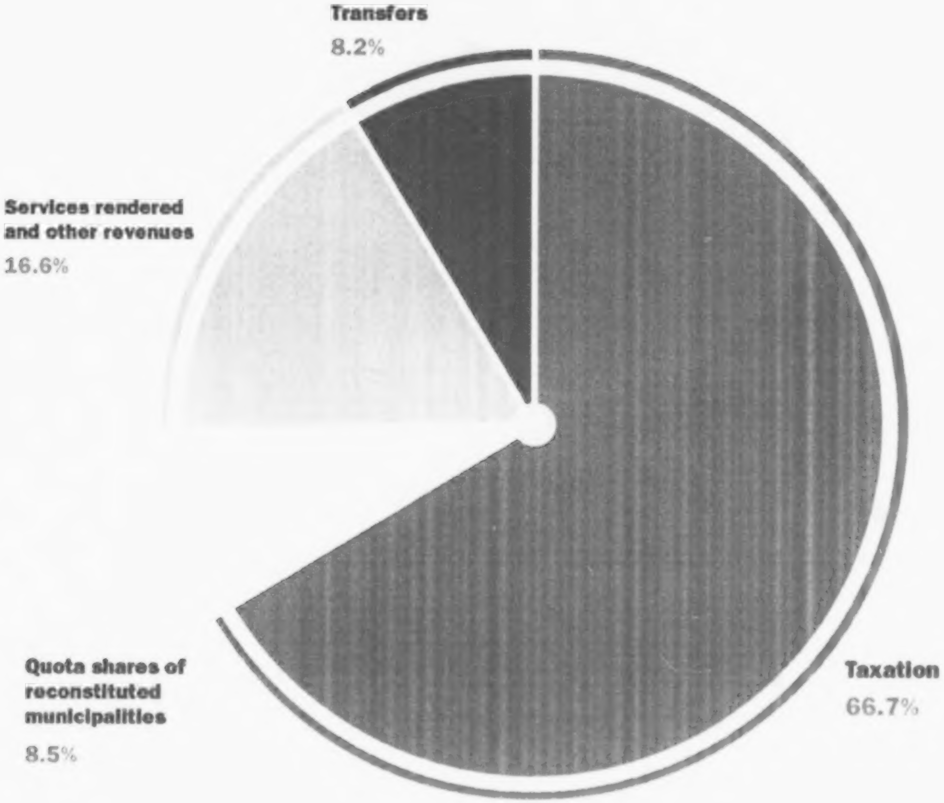


Chart 2
Expenditures by Function

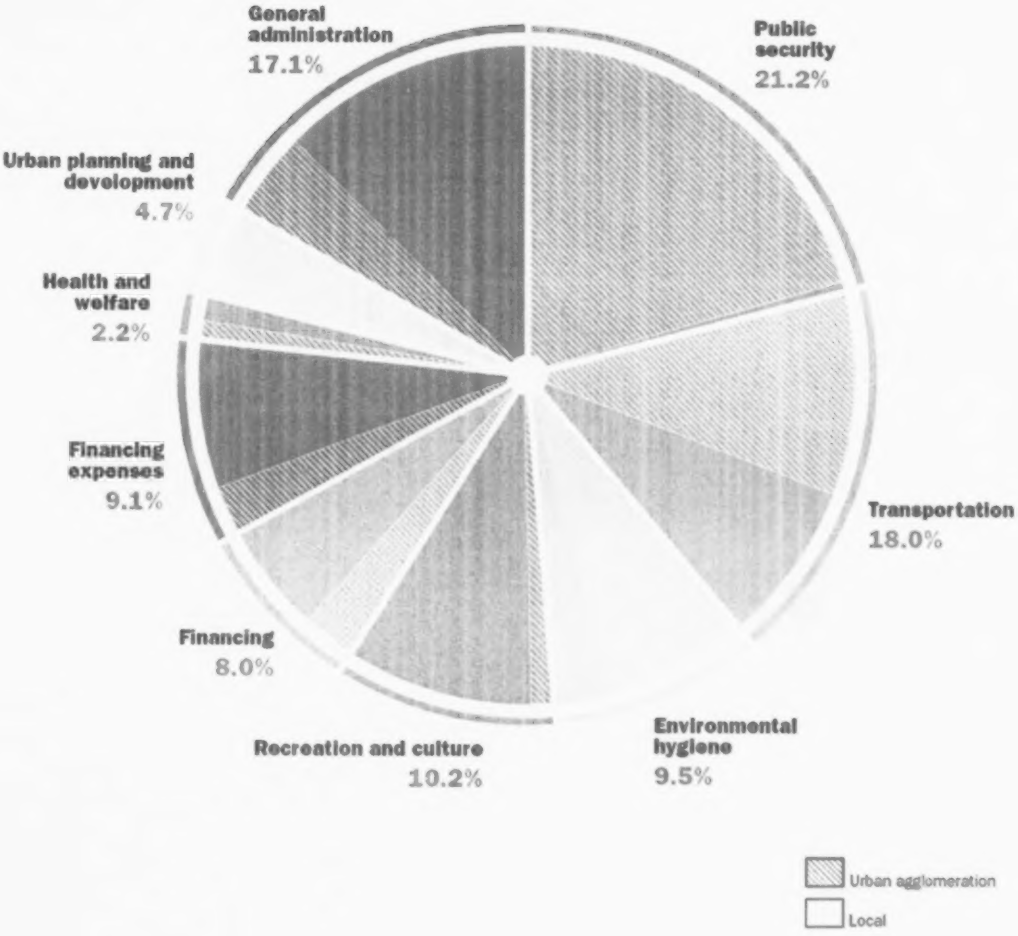


Table 4

Statement of Operating Activities for Tax Purposes – City Council Budget

(In thousands of dollars)

	City Council budget		
	2010 Restated	**2011 Budget**	% Change
Revenues			
Taxes	2,584,503.7	**2,703,509.9**	4.6
Payments in lieu of taxes	211,675.5	**228,324.3**	7.9
Quota shares	0,0	**0,0**	-
Services rendered and other revenues	580,379.1	**583,473.9**	0.5
Transfers	194,315.0	**204,577.4**	5.3
Total revenues	3,570,873.3	**3,719,885.5**	4.2
Expenditures			
General administration	446,587.6	**453,006.7**	1.4
Public security	14,196.4	**16,885.6**	18.9
Transportation	336,422.0	**348,823.8**	3.7
Environmental hygiene	181,521.1	**189,573.9**	4.4
Health and welfare	60,773.3	**59,324.6**	(2.4)
Urban planning and development	146,114.6	**155,243.2**	6.2
Recreation and culture	370,963.9	**387,717.5**	4.5
Financing expenses	267,943.4	**260,283.3**	(2.9)
Total expenditures	1,824,522.3	**1,870,858.6**	2.5
Quota shares for financing urban agglomeration activities	1,605,751.5	**1,668,196.6**	3.9
Financing			
Long-term financing of operating activities	(9,200.0)	**(7,676.5)**	(16.6)
Repayment of long-term debt	219,774.8	**224,236.5**	2.0
Total financing	210,574.8	**216,560.0**	2.8
Total expenditures, quota shares and financing	3,640,848.6	**3,755,615.2**	**3.2**
Surplus (deficit) before allocations	(69,975.3)	**(35,729.7)**	
Allocations			
Capital assets activities	0,0	**(21,158.0)**	
Repayment of capital	(11,448.4)	**(8,941.1)**	
Allocated operating surplus (deficit), financial reserve and reserved funds	85,535.1	**64,399.3**	
Amounts forecast for the future	(4,111.4)	**1,429.5**	
Total allocations	69,975.3	**35,729.7**	
Operating surplus (deficit) for tax purposes	-	**-**	

Table 5

Statement of Operating Activities for Tax Purposes – Urban Agglomeration Council Budget

(In thousands of dollars)

	Urban Agglomeration Council budget		
	2010 Restated	2011 Budget	% Change
Revenues			
Taxes	10,740.3	**29,240.3**	172.2
Payments in lieu of taxes	0,0	**0,0**	-
Quota shares	1,967,199.0	**2,047,096.3**	4.1
Services rendered and other revenues	209,563.4	**193,985.3**	(7.4)
Transfers	143,240.6	**159,293.0**	11.2
Total revenues	2,330,743.3	**2,429,614.9**	4.2
Expenditures			
General administration	304,866.3	**359,853.5**	18.0
Public security	893,047.9	**936,111.1**	4.8
Transportation	444,650.0	**463,333.1**	4.2
Environmental hygiene	247,526.3	**238,511.7**	(3.6)
Health and welfare	38,293.0	**39,921.0**	4.3
Urban planning and development	50,654.8	**57,480.5**	13.5
Recreation and culture	67,043.7	**73,342.9**	9.4
Financing expenses	150,621.0	**150,552.2**	(0.2)
Total expenditures	2,196,903.0	**2,319,106.0**	5.6
Financing			
Long-term financing of operating activities	(30,200.0)	**0,0**	-
Repayment of long-term debt	132,344.7	**141,952.3**	7.3
Total financing	102,144.7	**141,952.3**	39.0
Total expenditures and financing	2,299,047.7	**2,461,058.3**	7.0
Surplus (deficit) before allocations	31,695.6	**(31,443.4)**	
Allocations			
Capital assets activities	(22,776.8)	**(48,346.4)**	
Repayment of capital	0.0	**(30.1)**	
Allocated operating surplus (deficit), financial reserve and reserved funds	(36,000.0)	**112.0**	
Amounts forecast for the future	27,081.2	**79,707.9**	
Total allocations	(31,695.6)	**31,443.4**	
Operating surplus (deficit) for tax purposes	-	**-**	

ANALYSIS OF OPERATING ACTIVITIES – REVENUES

This section presents the revenues for the City Council and the Urban Agglomeration Council operating budgets.

REVENUES

Taxes and Payments in Lieu of Taxes

Table 6

Taxes and Payments in Lieu of Taxes – Summary

(in thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Taxes							
Taxes on property value	2,499,804.4	2,622,933.9	4.9	0.0	0.0	-	2,622,933.9
Taxes on another basis	84,699.3	80,576.0	(4.9)	10,740.3	29,240.3	172.2	109,816.3
	2,584,503.7	2,703,509.9	4.6	10,740.3	29,240.3	172.2	2,732,750.2
Payments in lieu of taxes							
Government of Québec	181,186.6	184,897.7	2.0	0.0	0.0	-	184,897.7
Government of Canada	21,179.5	33,453.4	58.0	0.0	0.0	-	33,453.4
Municipal organizations	7,130.3	7,605.8	6.7	0.0	0.0	-	7,605.8
Other compensable organizations	2,179.1	2,367.4	8.6	0.0	0.0	-	2,367.4
	211,675.5	228,324.3	7.9	-	-	-	228,324.3
Total	2,796,179.2	2,931,834.2	4.9	10,740.3	29,240.3	172.2	2,961,074.5

CITY BUDGET

Revenues from taxes and payments in lieu of taxes stand at $2,931.8 million in the 2011 Budget, up $135.7 million (+4.9%) from 2010.

This change in revenues is primarily due to:

- A general tax increase of 2.5% that will generate an additional $66.4 million in tax and payment in lieu of tax revenues.
- Growth in the tax base, through the addition of $1.5 billion in new taxable property values and $300 million in new compensable values, should generate tax revenues of $30 million.
- Payment of an additional $29.5 million to the Water Fund, representing a rise in tax burden of 1.2% of residential and of 1% for non-residential properties.
- Reintroduction of the road tax, representing a rise in tax burden of 0.5% for residential and of 0.7% for non-residential properties to generate $17.3 million.
- The decision by six borough councils to hike their existing service taxes and by one borough council to reduce its service tax has the overall impact of increasing tax revenues by $2.1 million.

In *Montréal (City) v. Montreal Port Authority,*[1] the Supreme Court of Canada ordered Crown Corporations to pay taxes levied by the Ville de Montréal. This decision essentially explains the 58% hike in federal payments in lieu of taxes appearing in the previous table. This decision does not however increase municipal taxes and payments in lieu of taxes because it results in a redistribution of the tax burden among various taxpayers.

URBAN AGGLOMERATION BUDGET
Taxes on another basis stand at $29,240.3 in the 2011 Budget, up $18.5 million from 2010.

Municipal tax revenues for funding 9-1-1 emergency centres are expected to remain stable at $10,740.3.

Furthermore, a tax on registered vehicles ("TVI") is scheduled to be instituted throughout the urban agglomeration in 2011 to generate $18.5 million in additional funding for the Société de transport de Montréal. For further information, please refer to page 134 in the Taxation chapter.

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[1] [2010] 1 S.C.R. 427.

Table 7

Taxes and Payments in Lieu of Taxes – Breakdown

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Taxes and payments in lieu of taxes based on property value							
General tax	2,379,365.2	2,452,642.3	3.1	0,0	0,0	-	2,452,642.3
Sector taxes							
- taxes on services	15,427.4	17,520.6	13.6	0,0	0,0	-	17,520.6
- taxes on investments	52,857.4	66,943.0	26.6	0,0	0,0	-	66,943.0
	68,284.8	84,463.6	23.7	-	-	-	84,463.6
Contribution to improve water service	104,540.2	134,283.0	28.5	0,0	0,0	-	134,283.0
Road tax	0,0	17,300.0	-	0,0	0,0	-	17,300.0
Compensation for network immovables	145,935.7	148,885.5	2.0	0,0	0,0	-	148,885.5
Municipal organizations and other compensable organizations	9,309.4	9,973.2	7.1	0,0	0,0	-	9,973.2
Taxes on unserviced vacant lots	944.6	884.5	(6.4)	0,0	0,0	-	884.5
	2,708,379.9	2,848,432.1	5.2	-	-	-	2,848,432.1
Taxes and payments in lieu of taxes on another basis							
User fees for municipal services							
- water	30,085.2	27,722.6	(7.9)	0,0	0,0	-	27,722.6
- waste removal and recycling	13,517.1	13,497.6	(0.1)	0,0	0,0	-	13,497.6
- Other	751.0	781.2	4.0	10,740.3	10,740.3	-	11,521.5
	44,353.3	42,001.4	(5.3)	10,740.3	10,740.3	-	52,741.7
Debt service	14,766.9	13,346.8	(9.6)	0,0	0,0	-	13,346.8
Tax on parking lots	20,000.0	19,017.0	(4.9)	0.0	0,0	-	19,017.0
Tax on registered vehicles	0,0	0,0	-	0.0	18,500.0	-	18,500.0
Other	8,679.1	9,036.9	4.1	0,0	0,0	-	9,036.9
	87,799.3	83,402.1	(5.0)	10,740.3	29,240.3	172.2	112,642.4
TOTAL	2,796,179.2	2,931,834.2	4.9	10,740.3	29,240.3	172.2	2,961,074.5

Quota Shares

Table 8
Quota Shares

(In thousands of dollars)

	Urban Agglomeration Council budget			Inter-entity transactions to be eliminated	Global budget
	2010 Restated	2011 Budget	% Change	2011 Budget	2011 Budget
Quota shares					
General expenditures	1,651,088.5	**1,752,618.2**	6.1	**(1,421,929.8)**	**330,688.4**
Water service	117,343.2	**111,107.2**	(5.3)	**(90,143.2)**	**20,964.0**
Water financial reserve	75,000.0	**91,300.0**	21.7	**(74,073.2)**	**17,226.8**
Drinking water supply	49,243.9	**51,501.8**	4.6	**(47,201.4)**	**4,300.4**
Road network debts (2006-2008)	33,133.3	**32,067.0**	(3.2)	**(29,560.2)**	**2,506.8**
First responder service	4,610.0	**6,433.1**	39.5	**(5,288.8)**	**1,144.3**
Financing of investments eligible for the TECQ program	780.1	**2,069.0**	165.2	**0,0**	**2,069.0**
Financing of deficit forecast in 2009 fiscal year	36,000.0	**0,0**	-	**0,0**	**0,0**
Total	1,967,199.0	**2,047,096.3**	4.1	**(1,668,196.6)**	**378,899.7**

URBAN AGGLOMERATION BUDGET

Urban Agglomeration quota share revenues stand at $2,047.1 million in the 2011 Budget, up $79.9 million (+4.1%), from 2010.

This change in revenues is primarily due to:

- A $162 million increase in urban agglomeration expenditures.
- A $107.1 million drop in quota share funding requirements, following a $52.6 million rise in amounts forecast for the future, non-recurrence of a $36 million allocation to fund the anticipated 2009 deficit and an anticipated $18.5 million to be generated by a new tax on registered vehicles.
- An additional $25.6 million in allocations to capital expenditure activities that increase quota share funding needs.

Transactions to be Eliminated

Transactions to be eliminated, appearing in the preceding table, illustrate Montréal's share of expenditures for which the Urban Agglomeration Council is responsible (through the payment of quota shares). Because such transactions result from service swaps between the city and the urban agglomeration council budgets, they have been eliminated from the Ville de Montréal's Global Budget.

Services Rendered and Other Revenues

Table 9
Services Rendered and Other Revenues

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Inter-entity transactions to be eliminated	Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget	2011 Budget
Services provided to municipal organizations	100.0	**100.0**	-	159.6	**274.4**	71.9	**0,0**	**374.4**
Other services provided	264,295.6	**265,956.2**	0.6	72,162.5	**56,384.6**	(21.9)	**(41,569.2)**	**280,771.6**
Other revenues								
Fee collection								
- licenses and permits	15,149.7	**16,233.1**	7.2	1,887.5	**1,762.5**	(6.6)	**0,0**	**17,995.6**
- property transfer tax	99,730.9	**99,730.9**	-	0,0	**0,0**	-	**0,0**	**99,730.9**
	114,880.6	**115,964.0**	0.9	1,887.5	**1,762.5**	(6.6)	-	**117,726.5**
Fines and penalties								
- tickets – traffic and parking	92,578.4	**99,636.6**	7.6	75,540.7	**74,944.5**	(0.8)	**0,0**	**174,581.1**
- other – fines and penalties	3,060.5	**2,465.1**	(19.5)	10,119.0	**8,916.3**	(11.9)	**0,0**	**11,381.4**
	95,638.9	**102,101.7**	6.8	85,659.7	**83,860.8**	(2.1)	-	**185,962.5**
Interest								
- tax arrears	8,531.7	**8,531.4**	-	(1,054.3)	**(1,011.9)**	(4.0)	**0,0**	**7,519.5**
- amortization fund	34,993.0	**31,511.6**	(9.9)	16,161.0	**15,296.5**	(5.5)	**0,0**	**46,808.1**
- cash and other interest	13,535.0	**14,779.0**	9.2	10,670.0	**13,511.0**	26.6	**0,0**	**28,290.0**
	57,059.7	**54,822.0**	(3.9)	25,776.7	**27,795.6**	7.7	-	**82,617.6**
Long-term transfer of assets	21,700.0	**17,700.0**	(18.4)	360.0	**360.0**	-	**0,0**	**18,060.0**
Contribution by municipal organizations	24,428.0	**24,428.0**	-	23,225.0	**23,225.0**	-	**0,0**	**47,653.0**
Other	2,276.3	**2,402.0**	5.5	312.4	**322.4**	3.2	**0,0**	**2,724.4**
Total other revenues	315,983.5	**317,417.7**	0.5	137,241.3	**137,326.3**	0.1	-	**454,744.0**
Total	580,379.1	**583,473.9**	0.5	209,563.4	**193,985.3**	(7.4)	**(41,569.2)**	**735,890.0**

Services Provided to Municipal Organizations

These revenues include all funds from municipal agencies for services provided on a contractual or an *ad hoc* basis under intermunicipal agreements and in emergencies.

CITY BUDGET

This category includes revenues generated under the snow removal agreement between Sud-Ouest and Westmount. The figure of $100.0 is unchanged with respect to the 2010 Restated Budget.

URBAN AGGLOMERATION BUDGET

This revenue stands at $274.4 in the 2011 Budget, equal to the funds generated by selling water to the municipality of Charlemagne. The change is due to an increase in rate and in volume.

Other Services Provided

This heading pertains to all revenues generated by services provided to the higher levels of governments (and their corporations), to individuals and to private businesses.

CITY BUDGET

This budget item stands at $266 million in the 2011 Budget, up a slight $1.7 million from 2010. The key factors in this change are:

- A $3 million rise in fees and Other Revenues charged by the Commission des services électriques.
- A $1.2 million reduction in billings for employees loaned under the income security management agreement.

URBAN AGGLOMERATION BUDGET

This budget item stands at $56.4 million in the 2011 Budget, down $15.8 million. The key change in this item is a $15 million drop in billings from various police activities (specialized services and employee loans).

Other Revenues

This heading covers all revenues generated by municipal activities under certain powers conferred on the city by municipal legislation. These revenues are broken down by category: fees, fines and penalties, interest, asset transfers, contributions from municipal agencies and so forth.

CITY BUDGET

These revenues total $317.4 million in the 2011 Budget, up a slight $1.4 million from 2010. This budget primarily includes:

- Funding of $16.2 million from licences and permits, up $1.1 million from 2010.
- Collection of an expected $102.1 million in fines and penalties, primarily for traffic and parking violations. Fines and penalties are up $6.5 million in the 2011 Budget.
- Interest revenues of $54.8 million, including interest on cash in hand, interest on the amortization fund and interest on tax arrears. Overall, these revenues are down $2.2 million with respect to the 2010 Restated Budget. This difference is primarily due to lower interest payments on the amortization fund.
- Revenues of $17.7 million generated by asset transfers, down $4 million with respect to the 2010 Restated Budget.

URBAN AGGLOMERATION BUDGET

This revenue category stands at $137.3 million in the 2011 Budget, essentially the same amount as in 2010. It primarily includes:

- Collection of an expected $83.9 million in fines and penalties primarily for traffic and parking violations. This figure is generally equivalent to the administrative costs incurred by the SPVM and parking enforcement officers in issuing citations. The amounts of such fines themselves are set out in the City Council Budget. Anticipated fine and penalty revenues are down $1.8 million in the 2011 Budget.
- Interest revenues of $27.8 million, up a total of $2 million. This heading primarily pertains to interest generated by cash on hand and other interest, totalling $13.5 million, as well as interest on the amortization funds of $15.3 million.
- A constant contribution of $23.2 million from the Communauté métropolitaine de Montréal to the *AccèsLogis* and *Logements abordables Québec* (social component) programs.

Elimination of Inter-Entity Transactions

Transactions to be eliminated result from the exchange of billed services between business units.

Transactions to be eliminated in the Services Provided and Other Revenues category, primarily pertain to $32.6 million in funding for property and $8.3 million in funding for the Centre des services partagés (rolling stock and shops).

Transfers

Table 10
Transfers
(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Entitlements							
Government of Québec subsidies							
- compensation relating to the fiscal pact	45,559.1	**50,745.1**	11.4	27,330.9	**29,655.9**	8.5	**80,401.0**
- financial assistance as Québec's "metropolis"	25,000.0	**25,000.0**	-	0.0	**10,000.0**	-	**35,000.0**
- other	46,800.0	**46,800.0**	-	8,900.0	**8,900.0**	-	**55,700.0**
	117,359.1	**122,545.1**	4.4	36,230.9	**48,555.9**	34.0	**171,101.0**
Transfers relating to cost sharing agreements and other transfers							
Government subsidies							
- related to long-term debt financing	20,279.0	**20,414.6**	0.7	49,818.9	**46,857.5**	(5.9)	**67,272.1**
- related to operating activities	56,633.4	**61,566.7**	8.7	56,690.8	**63,879.6**	12.7	**125,446.3**
Other transfers relating to cost-sharing agreements for operating activities	43.5	**51.0**	17.2	500.0	**0.0**	-	**51.0**
	76,955.9	**82,032.3**	6.6	107,009.7	**110,737.1**	3.5	**192,769.4**
Total	194,315.0	**204,577.4**	5.3	143,240.6	**159,293.0**	11.2	**363,870.4**

Entitlements

"Entitlements" are subsidies that the Government of Québec is required to provide if certain eligibility criteria are met. They are not discretionary.

CITY BUDGET

Entitlements stand at $122.5 million in the 2011 Budget, up $5.2 million. The only change in this category is increased compensation of $50.7 million to be paid by the Government of Québec under the Entente sur un nouveau partenariat fiscal et financier (new fiscal and financial partnership agreement).

The $45.9 million entitlement for amusement taxes and other transfers of $0.9 million pertaining to the Palais des congrès have remained stable.

URBAN AGGLOMERATION BUDGET

Entitlements totalling $48.6 million appear in the 2011 Budget, up $12.3 million. Key changes in this item consist of:

- A $2.3 million increase in compensation from the Government of Québec under the Entente sur un nouveau partenariat fiscal et financier.
- Funding of $10 million to compensate the urban agglomeration in part for the provision of specific public security services.

- The payment of a balancing subsidy, including funding to cover $8.9 million in historic debt of the former Communauté urbaine de Montréal with respect to the subway system will apply for a final year.

Transfers Relating to Cost-Sharing Agreements and Other Transfers

This heading includes all transfer revenues earmarked for specific purposes. There are two types of such transfers: those used to service long-term debt and those applied to operating activities.

Government Subsidies for Long-Term Debt Financing

Table 11
Government Subsidies for Long-Term Debt Financing

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Refinancing of the initial actuarial liability	12,519.6	**11,923.6**	(4.8)	0,0	**0,0**	-	**11,923.6**
Urban renewal	4,629.2	**6,244.2**	34.9	5,841.6	**3,702.5**	(36.6)	**9,946.7**
Various grant programs							
- environmental hygiene	511.5	**489.3**	(4.3)	0,0	**0,0**	-	**489.3**
- transportation and road network	2,618.7	**1,757.5**	(32.9)	153.7	**727.5**	373.3	**2,485.0**
	3,130.2	**2,246.8**	(28.2)	153.7	**727.5**	373.3	**2,974.3**
Wastewater treatment	0,0	**0,0**	-	31,336.2	**30,880.1**	(1.5)	**30,880.1**
Public transportation – Métro	0,0	**0,0**	-	12,485.4	**11,547.4**	(7.5)	**11,547.4**
Total	20,279.0	**20,414.6**	0.7	49,818.9	**46,857.5**	(5.9)	**67,272.1**

This category covers subsidies that the city receives from the federal and provincial governments when it finances projects through long-term debt.

CITY BUDGET

Transfers used to service long-term debt stand at $20,414.6 in the 2011 Budget, up a slight $0.1 million from 2010. This rise is due to the increase in debt eligible for subsidy payments.

URBAN AGGLOMERATION BUDGET

Transfers used to service long-term debt stand at $46,857.5 in the 2011 Budget, down $3 million from 2010. This decline is due to the reduction in debt eligible for subsidy payments.

Government Subsidies Pertaining to Operating Activities

Table 12
Government Subsidies Pertaining to Operating Activities

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Waste management plan	25,600.0	**26,400.0**	3.1	0,0	**0,0**	-	**26,400.0**
"Montréal 2025" projects	11,426.7	**15,133.0**	32.4	3,500.0	**7,928.1**	126.5	**23,061.1**
Urban renewal	14,435.8	**14,935.8**	3.5	5,716.0	**5,546.0**	(3.0)	**20,481.8**
Local economic development	0,0	**0,0**	-	15,580.9	**15,580.9**	-	**15,580.9**
Public security (police)	0,0	**0,0**	-	8,493.0	**9,174.6**	8.0	**9,174.6**
Fight against poverty	0,0	**0,0**	-	8,000.0	**9,000.0**	12.5	**9,000.0**
First Responder project	0,0	**0,0**	-	5,930.4	**7,670.0**	29.3	**7,670.0**
Recreation and culture	4,692.7	**4,786.5**	2.0	0,0	**0,0**	-	**4,786.5**
Food inspection	0,0	**0,0**	-	3,978.3	**3,678.0**	(7.5)	**3,678.0**
Control of industrial wastes	0,0	**0,0**	-	3,300.0	**3,300.0**	-	**3,300.0**
Domestic violence	0,0	**0,0**	-	1,800.0	**1,800.0**	-	**1,800.0**
Other	478.2	**311.4**	(34.9)	392.2	**202.0**	(48.5)	**513.4**
Total	56,633.4	**61,566.7**	8.7	56,690.8	**63,879.6**	12.7	**125,446.3**

This category encompasses grants and subsidies applied to municipal programs implemented on behalf of or in conjunction with the federal and provincial governments.

CITY BUDGET

Operating activity subsidies stand at $61,566.7 in the 2011 Budget, up $4.9 million from 2010. The main differences include:

- An additional $3.7 million from the Government of Québec for projects included in the *Imagining – Building Montréal 2025* development strategy.
- An additional $0.8 million under the agreement on sharing solid waste disposal fees.

URBAN AGGLOMERATION BUDGET

Operating activities subsidies stand at $63,879.6 in the 2011 Budget, up $7.2 million from the previous year. The main differences include:

- A $1 million increase in subsidies to combat poverty and social exclusion.
- An additional $4.4 million from the Government of Québec for projects included in the *Imagining – Building Montréal 2025* development strategy.
- A $1.7 million rise in the subsidy for first responder service.

Other Transfers Relating to Cost-Sharing Agreements for Operating Activities

The fluctuation in this heading is due to non-recurrence of $0.5 million in funding to sponsor the Shanghai 2010 Expo.

ANALYSIS OF OPERATING ACTIVITIES – EXPENDITURES, QUOTA SHARES AND FINANCING

This section presents operating activities in terms of expenditures, quota shares and financing under the City Council and the Urban Agglomeration Council budgets.

EXPENDITURES

General administration

Table 13
General Administration Expenditures
(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Inter-entity transactions to be eliminated	Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget	2011 Budget
City Council	49,754.3	48,212.2	(3.1)	960.6	1,577.0	64.2	0,0	49,789.2
Law enforcement	8,156.7	8,706.2	6.7	46,185.3	48,713.6	5.5	0,0	57,419.8
Finance and administrative management	178,161.6	190,350.8	6.8	0.0	0,0	-	(339.8)	190,011.0
City clerk's office	17,843.4	18,635.4	4.4	0,0	0,0	-	0,0	18,635.4
Assessment	0.0	0,0	-	20,858.6	20,844.7	(0.1)	0,0	20,844.7
Human resources management	35,045.2	34,831.4	(0.6)	0,0	0,0	-	0,0	34,831.4
Mixed general administration expenditures	(105,022.3)	(99,047.6)	(5.7)	105,022.3	99,047.6	(5.7)	0,0	-
Other	262,648.7	251,318.3	(4.3)	131,839.5	189,670.6	43.9	(40,966.4)	400,022.5
Total	446,587.6	453,006.7	1.4	304,866.3	359,853.5	18.0	(41,306.2)	771,554.0

City Council

This activity primarily encompasses expenditures relating to the City Council, the Executive Committee, the borough councils, the Urban Agglomeration Council and various committees.

CITY BUDGET

Funding for the City Council stands at $48.2 million in the 2011 Budget. The $1.5 million drop from the 2010 Restated Budget is due to the transfer of certain resources to other budgetary activities, with $1.1 million allocated to the "Law Enforcement" activity and $500.0 to Montréal International, funding for which now appears under the "Economic Development and Promotion" activity.

URBAN AGGLOMERATION BUDGET

The 2011 Budget has earmarked funding of $1.6 million for this activity, which includes the Secrétariat de liaison (coordinating secretariat) ($608.9), along with research and secretarial costs ($406.0), under *An Act to amend various legislative provisions concerning Montréal*. The balance has been applied to the Direction générale (general administration), where the budget for the direction du Service du développement et des opérations (development and operations) has been divided among "municipal" and urban agglomeration" areas of authorities at the same rate as that used for this department, under the *By-law concerning mixed expenditures*.

Law Enforcement

Law enforcement expenditures include funds pertaining to management and support activities relating to laws and by-laws of the City and Urban Agglomeration Councils, as well as the

Municipal Court and judicial activities falling under the authority of the Urban Agglomeration Council.

CITY BUDGET
Expenditures for this activity have been assessed at $8.7 million in the 2011 Budget, up $0.5 million from 2010. This difference is primarily due to the transfer of $1.1 million from the "City Council" activity, more than $700.0 of which was subsequently applied to the Direction des affaires pénales et criminelles (penal and criminal affairs), an entity falling under the urban agglomeration.

URBAN AGGLOMERATION BUDGET
Funding for this activity in the 2011 Budget totals $48.7 million, up $2.5 million from the 2010 Restated Budget. This difference is almost solely due to adjustments and reorganizations within the Service des affaires juridiques et de l'évaluation foncière, including salary adjustments of $1.3 million for judicial authorities and additional resources of $1 million set aside for the Direction des affaires pénales et criminelles (penal and criminal affairs) and for the administration of this department.

Financial and Administrative Management

The "Financial and Administrative Management" activity primarily consists of funds for the management of financial, material and information technology resources.

CITY BUDGET
The 2011 Budget includes total funding of $190.4 million for this activity, up $12.2 million (+6.8%) from 2010. This increase results from:

- Readjustment of $1.7 million in funding for the boroughs.
- Creation of a Contrôleur général's (controller general's) unit, for $3.4 million.
- Transfer of $3.9 million in funding from other activities.
- Various reorganizations and adjustments of $3.2 million in different city departments, including additional funding to strengthen the municipal function, the transfer from the Division du programme de développement des affaires of the Service du développement et des opérations to the Service des finances and new funding for the Service de la concertation des arrondissements et des ressources matérielles.

City Clerk's Office

This activity encompasses such expenditures as those involved in enforcing by-laws, conducting any censuses, referendums and elections, drafting minutes of meetings and all other official documents, providing support to decision-making bodies and the publication and maintenance of archives and official documents.

CITY BUDGET
Total funding for this activity stands at $18.6 million in the 2011 Budget. The $0.8 million increase with respect to the 2010 Restated Budget is largely due to:

- A $376.0 budget increase for this activity in the boroughs.
- Various changes in the city clerk's office, including funding for the executive secretary of the Comité de vérification (audit committee) and professional fees for an ethics adviser.

Assessment

This activity encompasses expenditures relating to the production of the property assessment rolls, an area that falls under the exclusive authority of the Urban Agglomeration Council.

URBAN AGGLOMERATION BUDGET
Funding of $20.8 million (the same amount as in 2010) has been allocated to this activity in the 2011 Budget.

Human Resources Management

This activity includes expenditures pertaining to the management of human resources, such as recruitment, hiring and labour relations.

CITY BUDGET
Funding for human resources management totals $34.8 million, down a slight $0.2 million from the 2010 Restated Budget.

Mixed General Administration Expenditures

Mixed general administration expenditures of the city's support departments (Direction générale, Finances, Capital humain, etc.) have been budgeted as "local," since January 1, 2007. By contrast, an administration expenditure calculated at a rate set out in the *By-law concerning mixed expenditures* has been charged to Urban Agglomeration Council's General Administration Expenditures budget, under the "Mixed General Administration Expenditures" heading. See Appendix 2 for further information on the distribution of mixed expenditures.

CITY BUDGET
A negative appropriation of $99 million pertains to mixed general administration expenditures charged to the Urban Agglomeration Council Budget under the *By-law concerning mixed expenditures*. This represents a decline of some $6 million from the 2010 Restated Budget. This change is due to a reduction in mixed general administration expenditures for support units associated with this expenditure.

URBAN AGGLOMERATION BUDGET
Funding for this activity in the 2011 Budget totals $99 million under the *By-law concerning mixed expenditures*. This change of nearly $6 million is due to a reduction in mixed general administration expenditures for support units associated with this expenditure.

Other

This activity comprises a variety of budget items, including amounts that may not be associated with a specific activity during preparation of the budget. These include contingencies, possible collection losses, corporate communication expenditures, certain provisions for remuneration expenditures, including those for pay equity, employees on full-time union leave covered under the corporate budget and industrial accident victims making a gradual return to work, net interest paid on retirement plan deficits and transactions to be eliminated between local entities and the urban agglomeration.

CITY BUDGET

Total funding of $251.3 million has been allocated to the "Other" activity in the City Council Budget, down $11.3 million from 2010. This decline is primarily due to:

- A contribution of $39.6 million for retirement plan expenditures, primarily to offset major swings in the financial markets, particularly during 2008. Furthermore, relief initiatives providing another $12.8 million have been included in amounts forecast for the future to partially mitigate this rise in expenditures, for a net tax impact of $26.8 million.
- Anticipated savings due to optimization programs focusing on an in-depth review of existing management procedures. The city will eliminate duplications of function and optimize administrative support staff.

URBAN AGGLOMERATION BUDGET

Total appropriations of $189.7 million have been allocated to the Urban Agglomeration Council for this activity, up $57.9 million from the 2010 Restated Budget. This difference is primarily due to:

- A $93 million contribution for retirement plan expenditures consisting of:
    - $40 million to mitigate major swings in the financial markets, particularly during 2008.
    - $13 million to reflect changes in certain assumptions based on new actuarial estimates.
    - $40 million to adjust the accounting application of the asset limit. This adjustment is offset by a positive allocation of an identical amount to the amount forecast for the future, resulting in no tax impact.

  Furthermore, relief initiatives, for an additional $15.5 million, have been included in amounts forecast for the future to partially mitigate this rise in expenditures, for a net tax impact of $37.5 million on expenditures to be financed by quota shares.
- Redistribution to other activities, including $8.7 million for public security.
- The increase in the city's Global Budget, involving an additional $1.3 million in contingencies.
- Anticipated savings due to optimization programs focusing on an in-depth review of existing management procedures. The city will eliminate duplications of function and optimize administrative support staff.

Transactions to be Eliminated

Transactions to be eliminated result from the exchange of billed services between business units. These eliminations pertain to rental, administration, management, training and printing costs.

Public Security

Table 14
Public Security Expenditures

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Police	7,113.6	**9,203.6**	29.4	577,377.5	**607,899.6**	5.3	**617,103.2**
Fire protection	0,0	**0,0**	-	307,786.8	**320,241.4**	4.0	**320,241.4**
Emergency preparedness	1,088.5	**1,348.7**	23.9	1,159.5	**1,163.3**	0.3	**2,512.0**
Other	5,994.3	**6,333.3**	5.7	6,724.1	**6,806.8**	1.2	**13,140.1**
Total	14,196.4	**16,885.6**	18.9	893,047.9	**936,111.1**	4.8	**952,996.7**

Police

This activity encompasses expenditures pertaining to protection of life and property, maintenance of peace and public security, crime prevention and enforcement of laws and by-laws. The urban agglomeration is primarily responsible for such expenditures.

CITY BUDGET

The $9.2 million allocated to this activity in the 2011 Budget is up $2.1 million from 2010 and essentially concerns a financial commitment associated with the retirement plan for police officers employed by the former Ville de Montréal prior to 1971 and the portion pertaining to parking controls.

URBAN AGGLOMERATION BUDGET

The budget for this activity in the 2011 Budget stands at $607.9 million, up $30.5 million. This rise is primarily due to:

- An adjustment of global remuneration to police officers, particularly in response to implementation of the collective agreement ($21 million).
- Increased overtime budgets ($8 million), based on actual needs of the past few years.
- Funding of $2 million to provide service by police cadets.

The 2011 Budget also provides for permanent positions for 150 police officers who have worked as temporary police officers since 2008 and 2009 (for an equivalent of 121 person-years).

Fire Protection

This activity includes such fire protection expenditures as firefighting, investigations and the formulation and implementation of prevention measures to minimize the risk of fires. The Urban Agglomeration Council is entirely responsible for these expenditures.

URBAN AGGLOMERATION BUDGET

The budget for this activity in the 2011 Budget is up $12.4 million (+4.0%) to $320.2 million. This increase is primarily due to the following factors:

- A $4.1 million increase for an additional 62.7 person-years following gradual incorporation of all components of the risk coverage plan, in the third year of a five-year program (2009-2013).
- A $3.7 million rise in global remuneration consisting of about $5.3 million in salary adjustments, partially offset by some $1.6 million achieved through such savings initiatives as new employment management serving, for example, to cut overtime.
- A $0.7 million increase for maintaining and improving the first responder service, including its ability to comply with a higher number of requests.

Fuel price stabilization has, incidentally, served to shrink the fuel budget by $0.4 million.

Emergency Preparedness

Emergency Preparedness pertains particularly to disaster prevention activities and relief for natural and other disasters falling under City Council responsibility. It also encompasses expenditures for organizing and coordinating emergency measures falling under the responsibility of the Service de sécurité incendie de Montréal's (fire department's) emergency preparedness centre.

CITY BUDGET

A budget of some $1.3 million has been earmarked for this borough-run activity.

URBAN AGGLOMERATION BUDGET

The $1.2 million Emergency Preparedness budget has remained stable.

Other – Public Security

CITY BUDGET

The "Other" heading for Public Security expenditures encompasses borough investments of $6.3 million in different municipal programs, including Tandem (*Programme montréalais de soutien à l'action citoyenne en sécurité urbaine dans les arrondissements).*

URBAN AGGLOMERATION BUDGET

These expenditures of $6.8 million in the 2011 Budget will primarily be applied to ensuring safety measures at school crossings throughout the urban agglomeration.

Transportation

Table 15
Transportation Expenditures

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Road system							
- city road network	122,500.0	124,164.3	1.4	1,202.9	1,345.0	11.8	125,509.3
- snow removal	148,394.9	150,373.8	1.3	0,0	0,0	-	150,373.8
- street lighting	30,757.5	31,089.1	1.1	0,0	0,0	-	31,089.1
- traffic and parking	34,679.3	35,632.1	2.7	0,0	0,0	-	35,632.1
	336,331.7	341,259.3	1.5	1,202.9	1,345.0	11.8	342,604.3
Public transit	32.2	80.3	149.4	433,701.3	452,601.3	4.4	452,681.6
Other	58.1	7,484.2	-	9,745.8	9,386.8	(3.7)	16,871.0
Total	336,422.0	348,823.8	3.7	444,650.0	463,333.1	4.2	812,156.9

Road System

This activity primarily comprises expenditures pertaining to the city road network, snow removal, street lighting, traffic control and parking on the local road system. Most of these activities fall under the authority of the City Council.

Under *An Act to amend various legislative provisions concerning Montréal*, the urban agglomeration's exclusive responsibility for the road system is now limited to setting minimum network management standards, standardization rules, rules for road signs, traffic lights, traffic control and functions of the arterial roadways, general planning of the system and work on certain specified roadways. The urban agglomeration's activities therefore cover most survey, mapmaking and engineering laboratory activities that pertain directly to planning and supervising road infrastructure projects.

CITY BUDGET

The $4.9 million rise in road system expenditures from 2010 generally reflects the indexing of pay and of technical service contracts. This increase is also due to the following factors:

- A $2.2 million increase in the Action Plan Road system (road repair plan) of the Direction des transports (transportation).
- A $0.9 million increase in technical support for activities in the Direction des travaux publics (public works).

URBAN AGGLOMERATION BUDGET

The slight increase in the municipal road budget is due to stepped up data collection and analysis activities on road conditions under the 2011 Budget.

Public Transit

CITY BUDGET

The $48.1 growth from 2010 is primarily due to an adjustment in Lachine's budget for river shuttle service.

URBAN AGGLOMERATION BUDGET

Public transit funding consists primarily of contributions paid by the Urban Agglomeration Council to the Société de transport de Montréal (STM) and to the Agence métropolitaine de transport (AMT).

The 2011 Budget allocates funding of $452.6 million (up $18.9 million from 2010) to public transit. Although the accounting treatment of the financial information displays a net gain of $18.9 million in additional contributions to the STM and AMT in the 2011 Budget, basic contributions have actually risen by $32.1 million. This difference is due to the STM-SOFIL contribution that was financed by long-term debt in 2010 and that will, beginning in 2011, be recurrently funded by annual quota shares.

The following table illustrates how removal of the STM-SOFIL contribution from operating activities funded over the long term, as well as the $49.1 million in expenditures to be funded by quota shares for public transit in 2011, affects the accounting treatment.

Table 16
Change in Contributions and Expenditures to Be Funded by Quota Shares
(In millions of dollars)

	Growth in 2011		
	STM	**AMT**	**Public transit**
Basic contribution	28,5	3,6	32,1
STM-SOFIL contribution	17,0	-	17,0
Expenditure to be financed through quota shares	45,5	3,6	49,1
STM-SOFIL contribution financed through long-term loan	(30,2)	-	(30,2)
Budget variation	15,3	3,6	18,9

Other

CITY BUDGET

The 2011 Budget provides $7.4 million in additional funding for local transportation following an increase in the road tax. This appropriation will be used to pay for roadwork repairs up front.

URBAN AGGLOMERATION BUDGET

This heading encompasses other transportation expenditures, including a $2.3 million appropriation for the SPVM'S (police department's) Bureau du taxi et du remorquage (taxi and towing). A $7.1 million budget will be set aside for the Transportation Plan and coordinated by the Direction des transports (transportation).

The 2011 Budget's allocation of $9.4 million for this activity remains stable with respect to 2010.

Environmental Hygiene

Table 17
Environmental Hygiene Expenditures

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Water and sewers							
- drinking water treatment and supply	241.5	**786.6**	225.7	61,545.0	**64,039.5**	4.1	**64,826.1**
- drinking water supply system	44,109.4	**49,372.1**	11.9	17,316.8	**13,483.1**	(22.1)	**62,855.2**
- wastewater treatment	0,0	**0,0**	-	64,521.7	**61,350.4**	(4.9)	**61,350.4**
- sewage system	24,853.3	**26,666.0**	7.3	13,358.8	**11,995.2**	(10.2)	**38,661.2**
	69,204.2	**76,824.7**	11.0	156,742.3	**150,868.2**	(3.7)	**227,692.9**
Solid Waste							
- household and assimilated waste	65,177.9	**60,159.8**	(7.7)	54,464.9	**50,912.6**	(6.5)	**111,072.4**
- recyclable and other waste	41,814.7	**45,910.2**	9.8	26,934.6	**27,266.4**	1.2	**73,176.6**
	106,992.6	**106,070.0**	(0.9)	81,399.5	**78,179.0**	(4.0)	**184,249.0**
Environmental protection	4,413.5	**5,755.4**	30.4	9,384.5	**9,464.5**	0.9	**15,219.9**
Other	910.8	**923.8**	1.4	0,0	**0,0**	-	**923.8**
Total	181,521.1	**189,573.9**	4.4	247,526.3	**238,511.7**	(3.6)	**428,085.6**

Water and Sewers

This activity encompasses City Council expenditures pertaining to the maintenance of secondary water mains and sewer lines, as well as for Urban Agglomeration Council expenditures for the production of drinking water, the interception and treatment of wastewater and the upkeep of water mains and sewer lines.

Drinking Water Treatment and Supply

CITY BUDGET

The budget for this activity has grown $0.5 million in the 2011 Budget, following a transfer of $421.9 in funding for the laboratory of the Direction des travaux publics (public works) from the "Drinking Water Supply" activity.

URBAN AGGLOMERATION BUDGET

The 2011 Budget has set aside an additional $2.5 million for this activity with respect to 2010. This increase is primarily due to the rise in expenditures for electricity ($1.4 million) and for chemical products ($0.5 million). Furthermore, $0.5 million in funding is needed to cover wage indexing.

Drinking Water Supply

CITY BUDGET

The $49.4 million budget is up $5.3 million from 2010. The $2 million increase in borough funding is primarily due to wage indexing and the desires of certain boroughs to devote additional resources to maintaining secondary water mains, under their infrastructure maintenance master plans.

Additional funding of $2.7 million has been allocated to the Direction de la gestion stratégique des réseaux d'eau to produce a survey of the system and to maintain the secondary network through water main auscultation in conjunction with the boroughs, as they carry out their master plans.

URBAN AGGLOMERATION BUDGET

The 2011 Budget allocated $13.5 million for this activity, down $3.8 million from 2010. This decrease is primarily due to the following factors:

- A $1.7 million decline in system optimization project budgets, currently under review.
- A $2 million decline resulting from reassessment of the budget for unanticipated work.

Wastewater Treatment

URBAN AGGLOMERATION BUDGET

The budget for this activity in the 2011 Budget stands at $61.3 million, down $3.2 million from 2010. Upgraded wastewater treatment processes have generated the following savings:

- A $2 million reduction in the cost of chemical products.
- A $0,5 million reduction in the cost of electricity.
- A $0.5 million decrease in anticipated savings initiatives with respect to energy costs other than electricity.

Sewage System

CITY BUDGET

This $26.7 million budget is up $1.8 million from 2010. This additional allocation to the Service de l'eau (water) has been primarily earmarked to produce a survey of the system and to maintain the secondary network through water main auscultation in conjunction with the boroughs, as they carry out their master plans.

URBAN AGGLOMERATION BUDGET

The budget for this activity in the 2011 Budget stands at $12 million, down $1.4 million from 2010. This cut is primarily due to a $2 million reduction resulting from a re-evaluation of the budget for unanticipated work.

Solid Waste

This activity encompasses all expenditures pertaining to the collection, transportation, treatment, reclamation and disposal of domestic, recyclable, green, dry and hazardous waste.

The City Council is solely responsible for activities pertaining to the collection and transportation of waste to transhipment, disposal, treatment and reclamation sites.

The Urban Agglomeration Council is responsible for activities pertaining to the treatment, reclamation and disposal of all waste and for the management of hazardous substances.

Household and Assimilated Waste

CITY BUDGET

The 2011 Budget for collecting and transporting household and assimilated waste is $60.2 million, down $5 million from 2010. This decrease corresponds with a desire to gradually replace a certain percentage of household waste collections with the collection of recyclable and organic materials as part of the city's effort to reclaim additional waste.

URBAN AGGLOMERATION BUDGET

The budget for this activity in the 2011 Budget stands at $50.9 million, down $3.6 million. This decrease is closely related to the reduction and replacement of household waste collection and transportation activities falling under the City Council.

Recyclable and Other Waste

The "Recyclable and Other Waste" activity encompasses collecting, transporting, sorting and packaging recyclable materials (newspapers, printed matter, cardboard, glass, metal and plastic), dry waste and organic matter (green waste and organic sludge) as well as hazardous waste management.

CITY BUDGET

The budget for recyclable and other waste is $45.9 million, up $4.1 million from 2010. This decrease corresponds with a desire to gradually replace a certain percentage of household waste collections with collections of recyclable and organic materials as part of the city's effort to reclaim additional waste.

URBAN AGGLOMERATION BUDGET

The budget for recyclable and other waste is up $0.3 million in the 2011 Budget, to $27.3 million.

Protection of the Environment and Other Environmental Hygiene Activities

Such activities encompass environmental protection expenditures, including efforts to combat air, water and noise pollution and to treat contaminated soil, as well as other environmental hygiene activities.

CITY BUDGET

The 2011 Budget for this activity is up $1.3 million from the 2010. This increase reflects the city's commitment to boost funding for expenditures resulting from implementation of the by-law concerning air, water and noise pollution.

URBAN AGGLOMERATION BUDGET

The budget for such activities has remained fairly stable at $9.5 million in the 2011 Budget.

Health and welfare

Table 18
Health and Welfare Expenditures

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Food inspection	0.0	0.0	-	4,207.8	4,811.0	14.3	4,811.0
Social housing	17,722.1	17,778.3	0.3	24,845.3	25,275.6	1.7	43,053.9
Income security	30,355.7	29,189.1	(3.8)	0.0	0.0	-	29,189.1
Other	12,695.5	12,357.2	(2.7)	9,239.9	9,834.4	6.4	22,191.6
Total	60,773.3	59,324.6	(2.4)	38,293.0	39,921.0	4.3	99,245.6

Food Inspection

All budgets pertaining to the enforcement of laws and by-laws pertaining to food inspection and all Municipal Court proceedings falling under that heading are covered by this activity. These expenditures are primarily funded by the ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (MAPAQ) through subsidies granted under various programs associated with this activity, which falls entirely under the Urban Agglomeration's responsibility.

URBAN AGGLOMERATION BUDGET

Funding of $4.8 million earmarked for this activity in the 2011 Budget is up $0.6 million from 2010. This increase is primarily due to the increased workforce needed to ensure better service and information for residents and for the operators of food establishments.

Social Housing

This activity encompasses all social housing expenditures, comprising such programs as *AccèsLogis* and *Logement abordable Québec*. This activity also includes the quota share paid to government agencies (such as the Communauté métropolitaine de Montréal or CMM) and closing the OMHM's operating deficits.

CITY BUDGET

The 2011 Budget stands at $17.8 million and essentially consists of the quota share paid by the Ville de Montréal to the CMM.

URBAN AGGLOMERATION BUDGET

The $25.3 million for this activity in the 2011 Budget primarily includes funding allocated to the *AccèsLogis* and *Logement abordable Québec* subsidy programs that support the construction and renovation of social and community dwellings.

Income Security

Under MAMROT presentation standards, income security program management expenditures for the former Ville de Montréal that appear under this heading are separated from other health and welfare activities. Income security activities fall exclusively under the City Council's responsibility.

CITY BUDGET

The agreement that has been in effect between the ministère de l'Emploi et de la Solidarité sociale (MESS) and the Ville de Montréal since January 1, 2008, released the latter from the need to administer the Québec Government's income security program. The cost of employees lent by the city to work in this program is fully reimbursed by the Government of Québec. Funding for this agreement decreases annually in line with staff attrition. The resulting reduction in the 2011 Budget totals $1.2 million.

Other

This heading encompasses all other "Health and Welfare" expenditures, including funding to combat poverty and social exclusion, community projects, the family policy and efforts to eradicate street gangs.

CITY BUDGET

Funding for this item has remained relatively unchanged in the 2011 Budget at $12.4 million.

URBAN AGGLOMERATION BUDGET

Under an agreement on social development and the effort to combat poverty and social exclusion with the Government of Québec, additional funding of $1 million has been earmarked for this activity, bringing its 2011 appropriation to $9 million.

Urban Planning and Development

Table 19
Urban Planning and Development Expenditures

(in thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Inter-entity transactions to be eliminated	Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget	2011 Budget
Urban planning and zoning	42,178.4	**45,906.9**	8.8	3,740.9	**2,851.5**	(23.8)	**0,0**	**48,758.4**
Promotion and economic development								
- industry and commerce	59,901.9	**59,851.7**	(0.1)	34,015.3	**42,005.3**	23.5	**0,0**	**101,857.0**
- tourism	45.0	**45.0**	-	1,460.0	**1,300.0**	(11.0)	**0,0**	**1,345.0**
- other	37.1	**37.4**	0.8	0.0	**0,0**	-	**0,0**	**37.4**
	59,984.0	**59,934.1**	(0.1)	35,475.3	**43,305.3**	22.1	-	**103,239.4**
Urban renewal	39,791.8	**44,235.0**	11.2	11,111.6	**11,157.7**	0.4	**0,0**	**55,392.7**
Other	4,160.4	**5,167.2**	24.2	327.0	**166.0**	(49.2)	**(263.0)**	**5,070.2**
Total	146,114.6	**155,243.2**	6.2	50,654.8	**57,480.5**	13.5	**(263.0)**	**212,460.7**

Development, Urban Planning and Zoning

This activity encompasses expenditures pertaining to development, urban planning and zoning. The Service du développement et des opérations is responsible for planning, coordinating and implementing this activity.

CITY BUDGET

Funding of $45.9 million for this activity in the 2011 Budget represents growth of $3.7 million from 2010. This increase is due to the following factors:

- A $1.5 million adjustment for setting up the Bureau du plan (planning office), which has been tasked with formulating Montréal's urban development plan.
- A $2 million increase for adding staff to carry out municipal projects in the boroughs to improve such first-line services as permit issuance and inspection, thereby reducing turnaround and boosting revenues.

URBAN AGGLOMERATION BUDGET

A $0.9 million reduction of funding in the 2011 Budget is primarily due to the decline in professional fees for managing major projects.

Economic Development and Promotion

This activity encompasses outlays for promoting tourism and for economic development. It include the city's promotional campaigns among local and regional business communities, the promotion of tourist activities, the delivery of services for conferences and public events and all subsidy programs serving commercial and industrial enterprises.

CITY BUDGET

Funding of $59.9 million in the 2011 Budget is relatively unchanged from 2010.

URBAN AGGLOMERATION BUDGET
Funding of $43.3 million in the 2011 Budget is up $7.8 million from 2010.

This increase is primarily due to the "Industry and Commerce" activity budget and results from the following factors:

- A $5.2 million increase in the *Success@Montreal—Industry* program budget.
- A $0.7 million budget for the *Success@Montreal—Commerce* program.
- Additional funding of $1.8 million resulting from contributions paid under the memorandum of understanding between the city and the Government of Québec for the *Imagining-Building Montréal 2025* development strategy, including the Grand Prix de Montréal and the Grand Prix Cycliste Pro-Tour Québec-Montréal.

Urban Renewal

This activity encompasses the cost of renovating designated urban properties, including restoration, studies and research, as well as subsidies awarded to the owners of such properties.

CITY BUDGET
Funding of $44.2 million in the 2011 Budget is up $4.4 million from 2010. This increase primarily results from enhancements to the Home Ownership Support Program, including the introduction of a refund equal to the cost of transfer taxes for new owners of new properties and eligible duplexes and triplexes.

URBAN AGGLOMERATION BUDGET
Funding of $11.2 million in the 2011 Budget is up slightly from 2010. This change is due to adjustments in subsidies paid under Montréal's *MCCQ-Ville—housing component* cultural development agreement aimed at preserving the heritage value of public and private property.

Other

CITY BUDGET
Funding of $5.2 million in the 2011 Budget is up $1 million from 2010. This increase is due to additional funding awarded to the Commission des services électriques de Montréal (CSEM), equal to the cost of work the CSEM is expected to perform and to charge to the city's business units or third parties. This increase has no impact on the city's financial framework, because an identical increase appears in the revenue budget.

URBAN AGGLOMERATION BUDGET
Funding of $166.0 for this item encompasses other expenditures for the economic development and promotion function, which primarily includes funding for related mapmaking work in the 2011-2013 Three-Year Capital Works Program.

Transactions to be Eliminated

Transactions to be eliminated result from the exchange of billed services between business units. Funding of $263.0 concerns leasing by the Commission des services électriques of underground conduits.

Recreation and Culture

Table 20

Recreation and Culture Expenditures

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Recreational activities							
- community centres	60,090.4	62,748.3	4.4	52.2	86.2	65.1	62,834.5
- indoor and outdoor skating rinks	36,024.5	37,963.0	5.4	854.1	836.4	(2.1)	38,799.4
- swimming pools, beaches and marinas	37,648.7	38,124.9	1.3	19.7	21.7	10.2	38,146.6
- parks and playgrounds	96,656.1	104,963.3	8.6	23,724.1	25,268.8	6.5	130,232.1
- exhibitions and fairs	265.8	299.4	12.6	0,0	0,0	-	299.4
- other	10,379.6	10,172.1	(2.0)	202.3	456.9	125.9	10,629.0
	241,065.1	254,271.0	5.5	24,852.4	26,670.0	7.3	280,941.0
Cultural activities							
- community centres	16,591.9	16,706.1	0.7	0,0	0,0	-	16,706.1
- libraries	61,021.7	64,292.9	5.4	8,281.6	8,424.4	1.7	72,717.3
- museums and exhibition centres	34,742.6	33,630.0	(3.2)	22,374.9	25,825.0	15.4	59,455.0
- other	17,542.6	18,817.5	7.3	11,534.8	12,423.5	7.7	31,241.0
	129,898.8	133,446.5	2.7	42,191.3	46,672.9	10.6	180,119.4
Total	370,963.9	387,717.5	4.5	67,043.7	73,342.9	9.4	461,060.4

Recreational Activities

Recreational activities pertain to the provision of recreational and sports services and the design and upkeep of parks and green spaces in Montréal.

CITY BUDGET

Funding for this activity in the 2011 Budget is up $13.2 million (+5.5%) from 2010.

This difference is primarily due to funding for the "Parks and Playgrounds" activity, which has climbed $8.3 million since 2010. This change largely appears in borough budgets. Overall, the boroughs have allocated additional funding to park upkeep. Increases in the cost of wages and contracts have also been taken into account. Furthermore, the following additional funds have been earmarked for the following projects:

- New funding of $0.8 million to Ville-Marie for maintaining the Quartier des spectacles.
- The new Côte-des-Neiges–Notre-Dame-de-Grâce sports centre is scheduled to open in 2011 and will generate operating expenditures of some $1.2 million.

Furthermore, the boroughs have made budget adjustments to allocate necessary resources based on priorities in line with their particular situations, which explains changes among the different activities.

URBAN AGGLOMERATION BUDGET

Funding for recreational activities is up $1.8 in the 2011 Budget to $26.7 million.

This increase is primarily due to funding for the "Parks and Playgrounds" activity, which has been increased by $1.5 million because of:

- A $0.3 million rise in the Ville de Montréal contribution to the Société du parc Jean-Drapeau for the Société's costs of providing river shuttle service.
- Additional funding of approximately $0.7 million for adding park and green space management, design and maintenance employees.

Cultural Activities

Cultural activities include the management, coordination and production of events and activities in such cultural and heritage institutions as libraries, community centres and exhibition venues.

CITY BUDGET

Funding for cultural activities stands at $133.4 million in the 2011 Budget, up $3.5 million from 2010. This change is largely due to the "Libraries" activity. The boroughs are increasing funding to libraries, including an expanded range of services, by an overall $2.4 million. Additional funding of $0.2 million has been set aside for updating the library Web portal that was launched in 2010.

URBAN AGGLOMERATION BUDGET

Urban agglomeration funding for cultural activities is up $4.5 million from the 2010 Restated Budget to $46.7 million in the 2011 Budget.

This change is primarily due to an increase of some $3.4 million in the Nature Museums deficit to be paid by the Urban Agglomeration, due to higher expenditures. The increase in Nature Museums funding is actually due to a $0.3 million rise in operating expenditures and of $0.9 million in financing expenses, as well as of $2.2 million in Plan de vie 2009-2017 (living plan) expenditures. These figures have no impact, however, on urban agglomeration quota share payments, because they are entirely funded by the Government of Québec under a memorandum of understanding with the city for implementing the *Imagining-Building Montréal 2025* development strategy.

The city's contribution to the Conseil des arts de Montréal has also been increased by $500.0.

Financing Expenses

Table 21
Financing Expenses

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	**2011 Budget**	% Change	2010 Restated	**2011 Budget**	% Change	**2011 Budget**
Long-term financing - interest and other costs	266,631.8	**258,973.3**	(2.9)	150,716.5	**150,447.7**	(0.2)	**409,421.0**
	266,631.8	**258,973.3**	(2.9)	150,716.5	**150,447.7**	(0.2)	**409,421.0**
Other financing expenses	1,311.6	**1,310.0**	(0.1)	104.5	**104.5**	-	**1,414.5**
Total	267,943.4	**260,283.3**	(2.9)	150,821.0	**150,552.2**	(0.2)	**410,835.5**

This function encompasses interest and other costs pertaining to the long-term financing of capital expenditures. It also includes other expenditures relating to long-term financing of the initial actuarial liability of certain retirement plans paid by the City Council for employees of the former Ville de Montréal, as well as costs pertaining to long-term financing of the debt of the former Communauté urbaine de Montréal, for which the Urban Agglomeration Council has been responsible since 2002. Long-term financing expenses has been presented separately, incidentally, in the "Financing" section, on page 58.

CITY BUDGET

Financing expenses stands at $260.3 million in the 2011 Budget. This figure is down $7.7 million (-2.9%) from the 2010 Restated Budget.

This change in financing expenses is primarily due to:

- A $10.5 million cut in financing expenses, due to the maturation of loans pertaining to the city's historic debt.
- A $2.3 decline in issuance costs, due to improved credit conditions.
- A rise of some $4.6 million, due additional funding of capital expenditures, but partly offset by the refinancing of debts at lower interest rates.

URBAN AGGLOMERATION BUDGET

Financing expenses are down 0.2% (-0.3 million) in the 2011 Budget. This change is primarily due to additional funding of capital expenditures, partly counterbalanced by the maturation of certain loans and by the refinancing of debts at lower interest rates.

VILLE DE MONTRÉAL QUOTA SHARES FOR FINANCING URBAN AGGLOMERATION ACTIVITIES

This item represents the contribution in Montréal's City Council Budget for financing activities falling under the responsibility of Montréal's Urban Agglomeration Council. For further information, please refer to the *Quota Shares* section of this document.

Table 22

Quota Shares for Financing Urban Agglomeration Activities

(In thousands of dollars)

	City Council budget		
	2010 Restated	**2011 Budget**	% Change
Quota shares			
General expenditures	1,340,883.9	**1,421,929.8**	6.0
Water service	95,296.7	**90,143.2**	(5.4)
Water financial reserve	60,909.1	**74,073.2**	21.6
Drinking water supply	45,088.6	**47,201.4**	4.7
Road network debts (2006-2008)	30,542.9	**29,560.2**	(3.2)
First responder service	3,793.9	**5,288.8**	39.4
Financing of deficit forecast in 2009 fiscal year	29,236.4	**0,0**	-
Total	1,605,751.5	**1,668,196.6**	3.9

Financing

Table 23
Financing

(In thousands of dollars)

	City Council budget			Urban Agglomeration Council budget			Global budget
	2010 Restated	2011 Budget	% Change	2010 Restated	2011 Budget	% Change	2011 Budget
Long-term financing of operating activities	(9,200.0)	**(7,676.5)**	(16.6)	(30,200.0)	**0,0**	-	**(7,676.5)**
Repayment of long-term debt	219,774.8	**224,236.5**	2.0	132,344.7	**141,952.3**	7.3	**366,188.8**
Total	210,574.8	**216,560.0**	2.8	102,144.7	**141,952.3**	39.0	**358,512.3**

Long-Term Financing of Operating Activities

CITY BUDGET

The Direction du développement durable et de l'environnement (sustainable development and the environment) will purchase recycling bins for $7.7 million. Under the borrowing by-law that was adopted for this purpose in 2009, this expenditure will be funded by a five-year loan, corresponding to the average anticipated service life of these bins.

URBAN AGGLOMERATION BUDGET

The 2011 Budget does not provide for any long-term financing of operating activities, since the STM-SOFIL is now funded out of annual quota shares on a recurring basis, unlike the situation in 2010.

Repayment of Long-Term Debt*CITY BUDGET*

Funding for the long-term debt repayment climbed to $224.2 million in the 2011 Budget, up $4.5 million (+2%). This increase results from the following factors:

- A $3.1 million increase, due to additional loans needed for the long-term financing of new capital expenditures.
- An additional $0.8 million in accelerated debt repayment contributions under the debt management policy.

URBAN AGGLOMERATION BUDGET

Repayment of long-term debt rose from $132.3 million in 2010 to $141.9 million in the 2011 Budget, up $9.6 million or 7.3%. This change is primarily due to:

- A $4.6 million rise generated by additional loans needed for long-term financing of new capital expenditures by the urban agglomeration.
- An additional $1.2 million for accelerated debt repayment, under the debt management policy.
- A $4.4 million reduction in expected capital subsidies.

ANALYSIS OF OPERATING ACTIVITIES – ALLOCATIONS

Table 24
Allocations

(In thousands of dollars)

	City Council budget		Urban Agglomeration Council budget		Global budget
	2010 Restated	2011 Budget	2010 Restated	2011 Budget	2011 Budget
Capital expenditure activities	0.0	(21,158.0)	(22,776.8)	(48,346.4)	(69,504.4)
Repayment of capital	(11,448.4)	(8,941.1)	0.0	(30.1)	(8,971.2)
Allocated operating surplus (deficit), financial reserves and reserved funds	85,535.1	64,399.3	(36,000.0)	112.0	64,511.3
Amounts forecast for the future	(4,111.4)	1,429.5	27,081.2	79,707.9	81,137.4
Total	69,975.3	35,729.7	(31,695.6)	31,443.4	67,173.1

Capital Expenditure Activities

Budgetary allocations for capital works projects are known as "capital expenditure activities."

CITY BUDGET

The 2011 Budget has earmarked funding of $10.6 million for capital works projects pertaining to the water supply system, as well as funding of $9.9 million for investments in the road system. Funding of $625.0 has also been set aside to purchase land for the creation of a new park in Sud-Ouest. No municipal funds were applied to this activity in 2010.

URBAN AGGLOMERATION BUDGET

The $48.3 million (up $25.6 million from 2010) appearing under the "Capital Expenditure Activities" heading will be used for capital works projects pertaining to the water supply system.

Allocated Operating Surplus (Deficit), Financial Reserves and Reserved Funds

Surpluses from prior periods and reserves will be used to balance the budget.

CITY BUDGET

The 2011 Budget provides an appropriation of $64.4 million for this purpose. This amount consists of:

- $55 million in prior surpluses, down $21 million from 2010.
- $1.7 million from the "Road System Management" financial reserve.
- Surpluses of $7.7 million that certain boroughs used to balance their 2011 budgets.

URBAN AGGLOMERATION BUDGET

The urban agglomeration will draw $112.0 $ from the "Road System Management" financial reserve. Furthermore, it is no longer necessary to allocate a special quota share to the urban agglomeration's anticipated 2009 deficit. An amount of $36 million was used for that purpose in 2010.

Amounts Forecast for the Future

Based on changes in the accounting principles that have been in effect since January 1, 2007, an asset or a liability in the "Amounts Forecast for the Future" activity must be recorded as of that date in respect of the net value of the pension funds and calculated on an actuarial or actuarial projection basis. Funding appearing under the "Amounts Forecast for the Future" heading represents the annual amortization of this value.

This heading also includes the impact of the change in the limit on the asset in the balance sheet resulting from an actuarial gain or loss and its future amortization.

MAMROT is also permitting "Amounts Forecast for the Future" to be used to alleviate the fiscal impact of the 2008 financial crisis.

CITY BUDGET

The amount forecast for the future due to all of these initiatives has been set at $1.4 million in the 2011 Budget, with $34 million for alleviating fiscal impact, $1.6 million for the asset limit accounting adjustment and a $34.2 million reduction for the initial deficit and bond redemption.

URBAN AGGLOMERATION BUDGET

These same initiatives in the urban agglomeration have yielded a $79.7 million amount forecast for the future in the 2011 Budget, as follows:

- $20.8 million for the initial deficit and bond redemption.
- $26 million for alleviating fiscal impact.
- $37.9 million for the asset limit accounting adjustment.
- A $5 million decrease for transitional measures as at January 1, 2000.

BUDGET
BY
BUSINESS UNIT

THE BUDGET BY ORGANIZATIONAL STRUCTURE

The city's Global Budget for 2011 stands at $4.5 billion. The following pages present a complete portrait of budget estimates for 2011 by organizational structure. The Global Budget thus presents revenues and expenditures of the boroughs, the city departments and other budget items, as well as quota shares for funding activities of the urban agglomeration, financing and allocations.

Table 25
2011 Business Unit Forecasts

(In thousands of dollars)

	Revenues, Allocations and Variance	Revenues and Allocations	Variance[1]	Revenues, Allocations and Variance	Expenditures and Financing		Change
	2010 Restated	2011 Budget			2010 Restated[4]	2011 Budget	%
Boroughs							
Ahuntsic-Cartierville	62,349.2	2,810.1	59,703.3	**62,513.4**	62,349.2	**62,513.4**	0.3
Anjou[2]	27,883.7	2,761.5	25,046.7	**27,808.2**	27,883.7	**27,808.2**	(0.3)
Côte-des-Neiges–Notre-Dame-de-Grâce	70,554.3	2,550.4	68,396.4	**70,946.8**	70,554.3	**70,946.8**	0.6
Lachine[2]	33,193.6	6,515.9	26,640.0	**33,155.9**	33,193.6	**33,155.9**	(0.1)
LaSalle[2]	42,560.7	7,928.2	35,744.3	**43,672.5**	42,560.7	**43,672.5**	2.6
L'Île-Bizard–Sainte-Geneviève	11,367.4	908.4	10,499.4	**11,407.8**	11,367.4	**11,407.8**	0.4
Mercier–Hochelaga-Maisonneuve[2]	66,995.4	5,232.9	63,993.0	**69,225.9**	66,995.4	**69,225.9**	3.3
Montréal-Nord[2]	41,849.8	5,731.3	36,648.6	**42,379.9**	41,849.8	**42,379.9**	1.3
Outremont[2]	17,726.8	3,319.7	15,092.1	**18,411.8**	17,726.8	**18,411.8**	3.9
Pierrefonds-Roxboro[2]	32,371.3	3,611.2	28,918.8	**32,530.0**	32,371.3	**32,530.0**	0.5
Plateau-Mont-Royal	55,667.1	7,015.8	51,410.1	**58,425.9**	55,667.1	**58,425.9**	5.0
Rivière-des-Prairies–Pointe-aux-Trembles[2]	59,323.5	2,492.4	57,291.3	**59,783.7**	59,323.5	**59,783.7**	0.8
Rosemont–La Petite-Patrie	59,807.8	3,734.6	56,701.2	**60,435.8**	59,807.8	**60,435.8**	1.1
Saint-Laurent[2]	68,116.2	5,917.2	63,234.8	**69,152.0**	68,116.2	**69,152.0**	1.5
Saint-Léonard[2]	41,039.3	3,226.1	38,875.3	**42,101.4**	41,039.3	**42,101.4**	2.6
Sud-Ouest[2]	52,725.9	2,610.3	50,538.2	**53,148.5**	52,725.9	**53,148.5**	0.8
Verdun[2]	37,360.4	6,626.9	32,136.0	**38,762.9**	37,360.4	**38,762.9**	3.8
Ville-Marie	80,500.5	12,059.3	69,647.9	**81,707.2**	80,500.5	**81,707.2**	1.5
Villeray–Saint-Michel–Parc-Extension	64,777.5	2,992.3	62,164.4	**65,156.7**	64,777.5	**65,156.7**	0.6
Total for boroughs	926,170.4	88,044.5	852,681.8	**940,726.3**	926,170.4	**940,726.3**	1.6
The amount in the budget allocated to the boroughs and also listed under corporate revenues[3]	(860,867.2)			**(868,766.2)**			
Net total for boroughs	65,303.2			**71,960.1**	926,170.4	**940,726.3**	

[1] Under section 143.2 of the *Act to amend the Charter of Ville de Montréal*, which stipulates that a borough's budget must provide for revenues at least equal to its expenditures, a variance value, representing that portion of the borough's budgetary appropriations that are assumed by the city's Global Budget, is presented separately. More specifically, this figure represents the difference between the borough's expenditures and its autonomous revenues, which include surplus allocations and the additional funding allocated to the borough, if the latter generates such funding with a special local tax.

[2] Data from the "Revenues and Allocations" column of the 2011 budgets for these boroughs include the additional funding, which is generated by a special local tax and/or the borough's surplus allocations. These funding amounts are:

	Special local tax		**Allocations**
Anjou	1,498.1	Lachine	927.9
Lachine	1,416.1	LaSalle	1,784.9
LaSalle	4,053.1	Mercier–Hochelaga-Maisonneuve	2,808.7
Montréal-Nord	4,244.0	Montréal-Nord	182.0
Pierrefonds-Roxboro	1,440.0	Outremont	360.8
Saint-Léonard	945.1	Pierrefonds-Roxboro	447.3
Sud-Ouest	625.0	Rivière-des-Prairies–Pointe-aux-Trembles	226.7
Verdun	1,863.0	Saint-Laurent	529.5
	16,084.4	Sud-Ouest	(625.0)
		Verdun	367.5
			7,030.3

[3] This amount represents the addition of the variance value ($852,681.8) and the additional funding allocated to the boroughs ($16,084.4).

[4] Data from the 2010 Restated Budget on revenues, allocations and variance values, as well as expenditures and financing have been adjusted, where appropriate, to reflect reorganizations among business units.

Table 25 (continued)
2011 Business Unit Forecasts

(In thousands of dollars)

	Revenues, Allocations and Variance			**Expenditures and Financing**		
	2010 Restated[1]	**2011 Budget**	% Change	2010 Restated[1]	**2011 Budget**	% Change
Central departments[2]						
Direction générale	23,043.2	**22,993.2**	(0.2)	113,731.1	**120,654.4**	6.1
Affaires juridiques et évaluation foncière	175,321.0	**181,751.0**	3.7	78,958.5	**80,278.4**	1.7
Capital humain	34,248.0	**33,143.2**	(3.2)	18,569.2	**18,413.3**	(0.8)
Commission de la fonction publique	0,0	**0,0**	-	969.3	**969.3**	-
Commission des services électriques	71,057.8	**73,812.5**	3.9	67,526.5	**62,865.6**	(6.9)
Concertation des arrondissements et des ressources matérielles	205,797.0	**203,770.8**	(1.0)	220,818.7	**224,718.0**	1.8
Contrôleur général	0,0	**0,0**	-	3,181.9	**3,528.4**	10.9
Développement et opérations	117,319.4	**122,750.6**	4.6	370,104.6	**385,129.0**	4.1
Eau	1,086.4	**1,086.4**	-	173,288.6	**169,539.1**	(2.2)
Finances	5,274,380.8	**5,519,097.7**	4.6	56,885.2	**57,605.4**	1.3
Police	72,142.0	**58,315.7**	(19.2)	598,915.2	**629,543.3**	5.1
Secrétariat de liaison	0,0	**0,0**	-	576.3	**608.9**	5.7
Sécurité incendie	9,175.4	**10,915.0**	19.0	308,946.3	**317,055.9**	2.6
Technologies de l'information	659.6	**620.3**	(6.0)	42,656.5	**42,656.5**	-
Vérificateur général	79.5	**14.0**	(82.4)	4,699.0	**5,024.0**	6.9
Total – Central departments	5,984,310.1	**6,228,270.4**	4.1	2,059,826.9	**2,118,589.5**	2.9
Other budget items						
Shared expenditures				312,578.2	**385,053.2**	23.2
Financial expenses				382,357.9	**381,316.0**	(0.3)
Contribution expenditures						
- Contributions to reconstituted municipalities				1,865.2	**0,0**	-
- Other contributions				511,373.1	**536,778.4**	5.0
Total of other budget items				1,208,174.4	**1,303,147.6**	7.9
Quota shares for financing urban agglomeration activities				1,605,751.5	**1,668,196.6**	3.9
Financing						
Long-term financing of operating activities				(39,400.0)	**(7,676.5)**	(80.5)
Repayment of long-term debt				321,916.7	**337,389.8**	4.8
Total financing				282,516.7	**329,713.3**	16.7
Elimination of internal and inter-entity transactions[3]	(1,789,181.7)	**(1,853,465.6)**	3.6	(1,789,181.7)	**(1,853,465.6)**	3.6
Total expenditures, quota shares and financing	4,260,431.6	**4,446,764.9**	4.4	4,293,258.2	**4,506,907.7**	5.0
Allocations						
Capital expenditures activities	(22,776.8)	**(68,879.4)**				
Repayment of capital	(11,448.4)	**(8,971.2)**				
Allocated operating surplus (deficit), financial reserves and reserved funds	44,082.0	**56,856.0**				
Amounts forecast for the future	22,969.8	**81,137.4**				
Total allocations other than those forecast by boroughs[4]	32,826.6	**60,142.8**				
Total[5]	4,293,258.2	**4,506,907.7**	5.0	4,293,258.2	**4,506,907.7**	5.0

See notes on the next page.

Table 26

2011 Budget Forecasts – *Directions*

(In thousands of dollars)

	Revenues, Allocations and Variance			**Expenditures and Financing**		
	2010 Restated[1]	**2011 Budget**	% Change	2010 Restated[1]	**2011 Budget**	% Change
Directions						
Direction générale						
- Direction	0,0	**0,0**	-	1,804.7	**1,804.7**	-
- Direction générale associée - Concertation des arrondissements et des ressources matérielles	0,0	**0,0**	-	995.7	**995.7**	-
- Direction générale associée - Développement et opérations	0,0	**0,0**	-	1,007.5	**1,007.5**	-
- Affaires institutionnelles	0,0	**0,0**	-	4,735.1	**4,718.5**	(0.4)
- Bureau du plan	0,0	**0,0**	-	0,0	**1,500.0**	-
- Communications	4,315.8	**4,315.8**	-	13,656.4	**15,302.7**	12.1
- Greffe	718.7	**668.7**	(7.0)	31,203.3	**31,614.2**	1.3
- Muséums nature	18,008.7	**18,008.7**	-	60,328.4	**63,711.1**	5.6
Total	23,043.2	**22,993.2**	(0.2)	113,731.1	**120,654.4**	6.1
Concertation des arrondissements et des ressources matérielles						
- Approvisionnement	35.0	**35.0**	-	10,887.0	**10,990.6**	1.0
- Immeubles	71,971.8	**69,539.2**	(3.4)	73,137.5	**74,607.8**	2.0
- Matériel roulant et ateliers municipaux	52,870.2	**53,138.3**	0.5	53,122.3	**53,138.3**	-
- Propreté et déneigement	0,0	**0,0**	-	4,015.0	**4,015.0**	-
- Relations avec les citoyens – 311	0,0	**0,0**	-	5,329.4	**5,299.4**	(0.6)
- Stratégies et transactions immobilières	80,920.0	**81,058.3**	0.2	74,327.5	**76,666.9**	3.1
Total	**205,797.0**	**203,770.8**	**(1.0)**	**220,818.7**	**224,718.0**	**1.8**
Développement et opérations						
- Direction	13,898.4	**21,666.8**	55.9	13,778.3	**19,139.4**	38.9
- Administration	165.7	**0,0**	-	15,734.3	**14,350.9**	(8.8)
- Culture et patrimoine	6,587.8	**6,875.8**	4.4	43,062.3	**44,363.4**	3.0
- Développement économique et urbain	16,309.1	**15,655.9**	(4.0)	41,325.5	**40,583.5**	(1.8)
- Diversité sociale	8,000.0	**9,000.0**	12.5	15,902.6	**17,366.9**	9.2
- Environnement et développement durable	26,519.7	**24,406.8**	(8.0)	106,104.2	**107,564.3**	1.4
- Grands parcs et verdissement	1,672.0	**1,563.0**	(6.5)	16,305.3	**16,593.6**	1.8
- Habitation	41,847.7	**42,297.7**	1.1	64,616.5	**70,116.5**	8.5
- Sports	1,705.0	**1,082.6**	(36.5)	15,475.0	**15,482.4**	-
- Transport	27.5	**0,0**	-	27,700.1	**29,467.6**	6.4
- Travaux publics	586.5	**202.0**	(65.6)	10,100.5	**10,100.5**	-
Total	117,319.4	**122,750.6**	4.6	370,104.6	**385,129.0**	4.1

Notes on the Preceding Table:

[1] The 2010 Restated Budget's data for revenues, allocations and variance values, as well as expenditures and financing expenses, have been adjusted to account for reorganizations among the business units.

[2] This budget item excludes that portion of decentralized funding costs generated by the boroughs and the city departments.

[3] In presenting the Global Budget, revenues and expenditures resulting from transactions involving exchanges of service invoiced between the city's business units have been eliminated to depict the budget's levels of revenues and expenditures accurately.

[4] The "Total Allocations Other than Those Budgeted by the Boroughs" value represents the amount of expenditures financed by allocations, other than funding that had been set aside in the borough budgets.

The total value of allocations set aside in the 2011 Budget is:	
Allocations of surplus set aside by the borough:	7,030.3
Allocations other than those forecast by boroughs:	60,142.8
Total allocations in the 2011 budget:	**67,173.1**

[5] The total is equivalent to the sub-total of expenditures, quota shares, financing expenses and allocations presented in the Statement of Operating Activities for Tax Purposes.

BOROUGH BUDGETS

Borough budgets stand at $940.7 million, up $14.6 million (+1.6%) from the 2010 Restated Budget, and represent some 20.9% of the Ville de Montréal's total budget. This budget is primarily financed by an $852.7 million budget provision, set by City Council, as well as location revenues and allocations valued at $88 million.

Budget Provisions

The Administration opted for a budget freeze in 2011 to reduce the growth in its expenditures for future years. Consequently, other than the distribution of a $12 million reserve established in the 2010 budget and adjustments to the Development Fund, borough budget provisions have been essentially capped at the 2010 level.

As we know, the 2010 Budget established a $12 million municipal reserve to improve the boroughs' financial situations. As planned, this reserve was distributed among the boroughs during fiscal 2010 and was consistently readjusted in the 2011 budget provisions. The method for allocating this reserve among the boroughs was based on their requirements for snow removal and local family-oriented services (culture, sports and recreation) and costs generated by the presence of non-residents in the different boroughs for work, study, recreation, tourism and so forth.

The Development Fund dedicated to providing recognition for enhancement of development efforts has, on the other hand, added $4.7 million to budget borough provisions. This adjustment will offset development costs.

Revenues and Allocations

The boroughs may employ certain budget strategies that provide access to additional mechanisms for maintaining, improving and developing services to residents.

Certain boroughs consequently decided to increase their local revenues by a total of $5.3 million in the 2011 Budget, to pay expenditures of the same amount. The budget strategy is broadly supported by the rise in rates, the increase in services provided and a rebalancing of revenues based on historic situations. Drawing on prior year surpluses has also enabled nine boroughs to build their budget base by some $7.7 million.

The use of local taxes is also possible under the *Charter of Ville de Montréal*. Boroughs may levy local taxes to maintain or to improve the quality of services they offer. Eight boroughs levied local taxes in the 2011 Budget, to generate total revenues of $16.1 million.

In conclusion, the 2011 Borough Operating Budget complies with the Administration's budgetary framework. The boroughs have employed different financing strategies and have made certain changes to maintain services to residents, based on the priorities of their elected officials.

CITY DEPARTMENT BUDGETS

Operating Expenditures

The set of city department expenditures stands at $2,118.6 million, representing growth of $58.8 million, or nearly 2.9%, with respect to the 2010 Restated Budget.

Direction générale (General Administration)

The Direction générale (general administration) budget is up $6.9 million (+6.1%) in the 2011 Budget. This change results from the following adjustments:

Bureau du Plan (Planning)

The Bureau du plan (planning), a temporary unit that the Direction générale (general administration) set up for a three-year period to formulate Montréal's Urban Development Plan, will receive a $1.5 million allocation. This plan will include a comprehensive vision of Montréal's development and the new version of Montréal's Urban Plan.

Direction des Communications (Communications)

The Direction des communications (communications) will be reorganized. With the decentralization of sectoral resources, an advisory and coordination function is necessary. This will result in a $1.6 million adjustment to the Direction des communications (communications) budget.

Nature Museums

The rise in the Nature Museums' appropriation is primarily due to an additional $2.2 million in funding for continued implementation of the Plan de vie 2009-2017 (living plan) and its five "flagship" projects: the Montréal Diversity Centre, the Rio Tinto Alcan Planetarium, the Biodôme's human ecosystem, the metamorphosis of the Insectarium and the Nature Museums' Esplanade.

The Plan de vie 2009-2017 (living plan) is designed to promote the emergence of public-private partnerships and greater international renown for Montréal's Nature Museums. This expenditure is being funded by the Government of Québec, under a memorandum of understanding with the city to produce the *Imagining-Building Montréal 2025* development strategy.

Développement et opérations (Development and Operations)

The Service du développement et des opérations (development and operations) contains nine (9) directorates within a single administrative unit concerned with all aspects of municipal development and also tasked with municipal activities designed to support the boroughs.

Its budget is up $15 million (+4.1%) in the 2011 Budget. This change is primarily due to the following elements:

Imagining-Building Montréal 2025 Development Strategy

Additional funding of $4.7 million has been earmarked for efforts targeting accelerated public and private investment under the *Imagining-Building Montréal 2025* development strategy. The Government of Québec fully funds these expenditures under a memorandum of understanding with the city for fiscal 2008 through 2011. Projects for 2011 pursuant to the agreement include the

Montréal, Cultural Metropolis development strategy, *Promotions – fashion and design sectors, Support for Festivals,* the *Grand Prix cycliste Pro-Tour Québec-Montréal* and *PR@M-Commerce—revitalization of commercial thoroughfares*.

In accordance with this same agreement between the Government of Québec and the city, a financial contribution of $0.8 million will be awarded to the Société du parc Jean-Drapeau. This money will be used to follow through on the *Horizon 2017* project for upgrading and developing the Parc Jean-Drapeau. Such an effort will involve creating a project team to produce studies and to formulate plans and specifications.

A contribution of $0.5 million will also be paid to the Bureau de projet du 375^{e} anniversaire de Montréal (the Montréal 375th anniversary project office) to launch efforts leading up to celebrations in 2017.

Social Diversity

The agreement between Government of Québec and the Ville de Montréal to combat poverty and social exclusion will result in a $1 million rise in expenditures. This additional cost will be funded by a transfer from the Government of Québec.

Direction de l'Environnement et du Développement Durable (Environment and Sustainable Development)

This appropriation is up $1.5 million in the 2011 Budget. The increase is primarily due to changes in solid waste treatment costs.

Housing

An additional budget of $5.9 million has been allocated to cover the cost of extending and improving the *Home Ownership Support Program* as part of the creation of additional family support initiatives. The program's key objectives are to promote home ownership by families, to help Montréal renters buy properties within Montréal and to stimulate home construction in Montréal.

Transportation

A $1.8 million increase in expenditures is due to additional funding for the Action Plan Road system. This funding will be used to continue improving the Montréal road system under the 2011 Budget.

Service de l'eau (Water)

The budget of the Service de l'eau (water) is down $3.7 million in the 2011 Budget, primarily because of various savings initiatives, including reduced energy costs, fewer purchases of chemical products, streamlined plant management outlays and modification of the system optimization project. In line with city planning, some $59.3 million in increased upfront payment for major work has also resulted in reduced financing expenses.

Service de police (Police Department or SPVM)

This appropriation is up $30.6 million (+5.1%) in the 2011 Budget. This change is largely due to a $21 million increase in total pay for police officers following application of their collective agreement. Additional funding of $8 million has been allocated for overtime, based on actual needs of recent years. A $2 million increase has also been granted for work by police cadets.

Service de sécurité incendie de Montréal (Fire Department)

An additional $8.1 million has been set aside for this budget. Of this amount, $4.1 million will be used to continue implementing all elements of the risk coverage plan, which is in the third year of its five-year rollout (2009-2013). The risk coverage plan seeks to boost effective fire protection throughout the island.

The Commission des services électriques (Electrical Service Commission)

A $4.7 million (-6.9%) decrease in this budget is due to a substantial reduction in debt service because of lower interest rates.

OTHER BUDGET ITEMS AND FINANCING

Expenditures falling under the "Other Budget Items" and "Financing" heads stand at $1,632,860.9 and represent $36.2% of the city's Global Budget. These headings cover four major expenditure categories: shared expenditures ($385,053.2), financing expenses ($381,316.0), contribution expenditures ($536,778.4) and financing ($329,713.3).

Such expenditures include:

- The city's contribution to funding activities produced by local, regional and municipal partners and agencies of the higher levels of government.
- Centralized funding costs pertaining to the funding of capital expenditures not apportioned among the city's business units.
- Costs of meeting legal obligations, as in the case of contingency expenses.

Shared Expenditures

Table 27
Shared Expenditures
(In thousands of dollars)

	2010 Restated	**2011 Budget**	% Change
Redeployment of resources and retirement plan expenditures	204,683.0	**343,969.2**	68.0
Credits for contingency budget	43,350.4	**45,034.4**	3.9
Potential tax collection losses	6,603.7	**8,149.3**	23.4
General administration expenditures	7,648.4	**7,648.4**	-
Other shared expenditures	50,292.7	**(19,748.1)**	-
Total	312,578.2	**385,053.2**	23.2

Redeployment of Resources and Retirement Plan Expenditures

The 2011 budget of $344 million is up $139.3 million (+68%) with respect to 2010 Restated Budget.

This item encompasses:

- Remuneration expenditures that cannot, at this point, be apportioned among the business units and that must appear in the budget, under provisions of the collective agreements (such as amounts for pay equity and the costs of certain union leaves).
- A share of appropriations to pay surplus employees, in terms of authorized structures.
- Appropriations pertaining to occupational injury victims.
- Certain expenditures pertaining to the retirement plans.

The increase in this item's funding is primarily due to an important increase in contributions to the retirement plans, as follows:

- An additional $13 million based on new actuarial estimates, as at December 31, 2009, resulting from more conservative economic and demographic assumptions and in particular, assumptions pertaining to expected returns and mortality.
- An $82 million increase due to the impact of the 2008 financial crisis on smoothed asset value. This impact was mitigated, however, by the better-than-expected performance of 2009.A $40 million adjustment in the accounting treatment of asset limits. This adjustment has, however, been offset by a positive allocation of $40 million equal to the amount forecast for the future, thus having no impact on financed expenditures.

The city also plans to use $28 million for additional tax relief initiatives, as permitted by MAMROT, for a net increase in the 2011 Budget of some $66 million in expenditures to be financed.

Contingency Budget

The "Contingency Budget" serves to meet expenditures not anticipated in the budget, to settle claims and to make payments resulting from legal judgements.

Funding for the Contingency Budget depends on the city's Global Budget. Under the *Charter of Ville de Montréal*, an amount equal to at least 1% of the budget must be allocated for contingencies.

Potential Tax Collection Losses

This item is up $1.5 million to $8.1 million in the 2011 Budget. This increase is essentially due to the increased provision for failure to collect non-tax revenues, such as fines and citations, property transfer taxes and lease income. The budget for maintaining this provision stands at $7 million. The budget for the municipal tax collection provision has, on the other hand, remained stable at $1.1 million.

General Administration Expenditures

The "General Administration Expenditures" item has remained stable at $7.6 million in the 2011 Budget. This appropriation will be applied primarily to the maintenance and improvement of services to residents. The City Administration will decide over the course of the year which units will be responsible for projects falling under this heading and prioritized by the city.

Other Shared Expenditures

Table 28
Other Shared Expenditures

(In thousands of dollars)

	2010 Restated	2011 Budget	% Change
Employee loans - MESS	31,053.9	**29,831.3**	(3.9)
Amount reserved for capital asset acquisitions – Other activities	0,0	**7,647.0**	-
Amount reserved for capital asset acquisitions – Transportation	0,0	**7,361.0**	-
Priority actions involving cleanliness and graffiti removal	4,475.0	**4,475.0**	-
Environment expenditures	932.8	**932.8**	-
e-Cité/311 project	603.4	**603.4**	-
Strengthening of the civil service	512.3	**513.0**	0.1
Optimization projects	0,0	**(80,000.0)**	-
Other	12,715.3	**8,888.4**	(30.1)
Total	50,292.7	**(19,748.1)**	(139.3)

Other shared expenditures have a negative budget of $19.8 million, down $70 million with respect to the 2010 Restated Budget.

This steep decline is due to the city's ambitious plan to cut operating expenditures by $125 million. Optimization projects for carrying out this plan are currently underway, with expenditure cuts already planned for fiscal 2011. Based on results attained by early 2011, budgetary measures will be implemented to build on these efforts. Following this streamlining process, municipal operating expenditures will be cut by $125 million annually in fiscal 2012 and following years.

Additional budgets have also been earmarked for cutting back on borrowing to finance capital expenditures. Consequently, $15 million has been set aside to pay municipal investments up front as follows:

- $7.4 million for transportation, due to reintroduction of the road tax.
- $7.6 million invested in different sectors of activity.

Financing Expenses

This heading encompasses all centralized expenditures pertaining to the funding of long-term capital expenditures and the initial actuarial liability. Financing expenses primarily comprise interest expenses, along with discount and loan floatation expenditures.

Table 29
Financing Expenses
(In thousands of dollars)

	2010 Restated	2011 Budget	% Change
Financing expenses	418,764.4	**410,835.5**	(1.9)
Decentralized financing expenses[1]	(36,406.5)	**(29,519.5)**	(18.9)
Total	382,357.9	**381,316.0**	(0.3)

[1] These expenditures appear in the budgets of certain boroughs and city departments.

Total financing expenses anticipated in the 2011 Budget stand at $410.8 million, down $7.9 million or 1.9% with respect to the 2010 Restated Budget, despite increased borrowing. This downward revision is primarily due to better credit conditions resulting in reduced interest charges and issuing costs at the time of debt financing and refinancing.

Of this total amount, $29.5 million has been directly charged to the budgets of the following entities: the Commission des services électriques (electrical service commission), Montréal's Nature Museums, the Service de l'eau (water) and certain boroughs.

Contribution Expenditures

Contribution expenditures in the 2011 Budget stand at $536.8 million and account for 12.9% of the city's total expenditures. These expenditures provide financial assistance to the Société de transport de Montréal (STM) and to other agencies. This item also comprises funds the city needs for paying quota shares to the Communauté métropolitaine de Montréal (CMM) and to the Agence métropolitaine de transport (AMT).

Table 30

Contributions to Corporations, Organizations and other Major Partners

(In thousands of dollars)

	2010 Restated	2011 Budget	% Change
Société de transport de Montréal	389,600.0	**404,900.0**	3.9
Agence métropolitaine de transport	44,101.3	**47,701.3**	8.2
Communauté métropolitaine de Montréal	30,000.0	**30,000.0**	-
Conseil des arts	10,950.0	**11,450.0**	4.6
Société du parc Jean-Drapeau	10,491.9	**10,812.2**	3.1
Sociétés de développement commercial	8,679.1	**9,036.9**	4.1
Contributions to the reconstituted municipalities	1,865.2	**0,0**	-
Société d'habitation et de développement de Montréal	0,0	**0,0**	-
Other organizations	17,550.8	**22,878.0**	30.4
Total	513,238.3	**536,778.4**	4.6

Société de transport de Montréal (STM)

The Société de transport de Montréal (STM) is an autonomous entity providing public transit throughout the city over subway and bus lines and through the use of paratransit vehicles. The city's total contribution to the STM will stand at $404.9 million in the 2011 Budget.

This funding includes the city's basic contribution to the STM's operating expenditures and the contribution the city must provide to the public transit capital expenditures assistance program of the Société de financement des infrastructures locales du Québec (SOFIL).

The city's basic contribution to the STM's operating budget stands at $387.9 million in the 2011 Budget, up $28.5 million (+7.9%) from 2010. This increase is primarily due to growth in the STM's financial needs and ongoing implementation of the service upgrade plan, under the Politique québécoise du transport en commun.

The public transit capital expenditures assistance program of the Société de financement des infrastructures locales du Québec (SOFIL) has been extended for the 2010-2011 to 2013-2014 period. Funding of $700 million over four years has been set aside for all Québec transportation agencies. Under the program's terms, the municipal contribution is equal to 15% of the STM's investment expenditures. For 2011, this represents a $17 million contribution disbursed out of the Urban Agglomeration Council operating budget (paid up front). In 2010, the same contribution had been paid out of loans ($30.2 million). Please refer to Table 16 (Change in Contributions and

Expenditures to be Funded by Quota Shares) on page 46.

Agence métropolitaine de transport (AMT)

The AMT is an agency that administers and funds the metropolitan commuter train system and other facilities, such as park-and-ride centres, reserved lanes and bus terminals. The AMT also coordinates paratransit services and plans public transit services for Greater Montréal as a whole. Furthermore, the agency provides financial assistance to local transportation agencies within the metropolitan network.

The AMT is primarily funded by the Government of Québec (Government of Québec rebates of motor vehicle registration fees and fuel taxes), by Greater Montréal municipalities (which defray 40% of commuter train line operating costs) and by riders.

Furthermore, the municipalities also pay contributions equal to 1% of their standardized property value to the AMT's Fonds d'immobilisations métropolitain. The fund finances the unsubsidized share (generally 25%) of investments in commuter lines and metropolitan transportation infrastructure.

In February 2010, the Communauté métropolitaine de Montréal signed an agreement to revise the financial framework of metropolitan public transit. However, since *An Act respecting the agence métropolitaine de transport* has not yet been amended by the Government of Québec, the municipalities must continue to comply with the usual financing terms.

The city's contribution to the AMT in the 2011 Budget stands at $47.7 million, up 8.2% from 2010. This increase is primarily due to 6.4% growth in its contribution to the Fonds d'immobilisations to a total of $19.9 million in the 2011 Budget. This rise is proportional to the increase in the city's standardized property value. The city's contribution to commuter train lines, on the other hand, stands at $27.8 million, up 9.4%. This increase corresponds with the rise in commuter train operating costs.

Communauté métropolitaine de Montréal (CMM)

The CMM is a metropolitan agency with the mission of creating a shared vision of the metropolitan region. The agency's task is to ensure consistent guidelines for development throughout the metropolis and to coordinate efforts needed to achieve harmonious growth for Greater Montréal.

The CMM is responsible for such areas as metropolitan development, economic development, the environment, metropolitan infrastructure, social housing, transportation and solid waste planning and management.

Montréal's quota share payment to the CMM remains stable in the 2011 Budget at $30 million.

Conseil des arts de Montréal (Montréal Arts Council)

The Conseil des arts de Montréal (CAM) plays an important role in disseminating culture and in supporting artists through the promotion of artistic excellence. The city has boosted its contribution to the CAM by $500.0, which stands at almost $11.5 million in the 2011 Budget.

Société du parc Jean-Drapeau (Jean-Drapeau Park Corporation)

The Société du parc Jean-Drapeau ensures integrated management of all maintenance activities at the park. The corporation provides operational support for the site's activities and events. The city is making a contribution of $10.8 million, which includes $322.5 to operate river shuttles. An amount of $106.2 million has also been earmarked as an indirect contribution to this item for expenditures that the city assumes at the park site.

Sociétés de développement commercial (SDCs or Commercial Development Corporations)

The city will pay a total of $9 million to the 16 SDCs. This amount matches the dues paid by merchant members.

Contributions to the Reconstituted Municipalities

Certain activities that fell under the urban agglomeration's authority when a new municipal organization was created in 2006 have been delegated to its reconstituted municipalities. Consequently, the reconstituted municipalities had continued to manage waste disposal contracts that remain in effect within their respective jurisdictions. All such contracts expired in 2010.

In 2011, the Ville de Montréal will fully assume management of solid waste disposal contracts throughout the entire urban agglomeration. No funding is accordingly required in the 2011 Budget for contributions to the reconstituted municipalities.

Société d'habitation et de développement de Montréal (Montréal Housing and Development Corporation or the SHDM)

As in 2010, the city's 2011 contribution to the Société d'habitation et de développement de Montréal (SHDM) involves no cash outlays. Under agreements providing for the city's participation in funding the SHDM-run Programme d'acquisition de maisons de chambres (PAMAC or rooming house acquisition program) and the SHDM's administration of Marché Bonsecours have been taken into account. In other words, funds that could have been paid to the SHDM under those two heading (some $0.7 million) were offset by the SHDM's contribution to the city's financial equilibrium of an equivalent amount.

Other Organizations

Funding of $22.9 million has been budgeted for contributions to other organizations and includes appropriations granted under agreements and partnerships with outside organizations. The following table lists these organizations and the amounts awarded to them.

Table 31
Contributions to Other Organizations

(In thousands of dollars)

	2010 Restated	2011 Budget	% Change
Success@Montreal–Industry Program	4,300.0	**9,500.0**	120.9
Montréal Museum of Archaeology and History	4,390.6	**4,640.6**	5.7
Technoparc Montréal– Saint-Laurent sector	2,850.0	**2,650.0**	(7.0)
Office de consultation publique de Montréal	1,762.4	**1,762.4**	-
Employees loaned to outside organizations	1,434.3	**1,505.0**	4.9
Ombudsman	1,078.2	**1,077.8**	-
Conseil du patrimoine	515.8	**518.7**	0.6
Montréal international - FODIM	500.0	**500.0**	-
Office municipal d'habitation de Montréal	397.0	**397.0**	-
Federation of Canadian Municipalities	190.0	**190.0**	-
Montréal Centre of Excellence in Brownfields Rehabilitation	76.0	**76.0**	-
CIRANO	28.5	**28.5**	-
Société de gestion Marie-Victorin	20.0	**20.0**	-
Corporation d'habitation Jeanne-Mance	8.0	**12.0**	50.0
Total	17,550.8	**22,878.0**	30.4

The $5.3 million increase in the 2011 Budget is primarily due to a $5.2 million rise in funding for the *Success@Montreal – Industry* financial assistance program. The program's three core goals are to accelerate industrial property investment in Montréal, to boost Montréal's regional competitiveness and to maintain a diversified economic structure.

The city maintains an ongoing partnership with these other organizations, which operate in such sectors as:

- Supporting and promoting research and development in the economic, cultural and tourism sectors.
- Supporting public consultations issues through such agencies as the Office de consultation publique (public consultation) and Conseil du patrimoine (heritage) with respect to decisions by decision-making bodies pertaining to major municipal issues.
- Promoting impartial treatment by the Bureau de l'ombudsman (ombudsman) of complaints and requests from residents and city employees.

The city may also establish *ad hoc* partnerships with various agencies through the payment of a financial contribution to them for producing events or for carrying out construction projects and for renovating sports and cultural facilities.

Quota Shares for Financing Urban Agglomeration Activities

This item represents the City Council Budget contribution for funding activities falling under the authority of the Urban Agglomeration Council. Please read the *Quota shares* section of this document for further information.

Table 32
Quota Shares for Financing Urban Agglomeration Activities
(In thousands of dollars)

	2010 Restated	**2011 Budget**	% Change
Quota shares			
General expenditures	1,340,883.9	**1,421,929.8**	6.0
Water service	95,296.7	**90,143.2**	(5.4)
Water financial reserve	60,909.1	**74,073.2**	21.6
Drinking water supply	45,088.6	**47,201.4**	4.7
Road network debts (2006-2008)	30,542.9	**29,560.2**	(3.2)
First responder service	3,793.9	**5,288.8**	39.4
Financing of deficit forecast in 2009 fiscal year	29,236.4	**0,0**	-
Total	1,605,751.5	**1,668,196.6**	3.9

Financing

This heading includes long-term financing of operating activities and long-term debt repayment.

Table 33
Financing
(In thousands of dollars)

	2010 Restated	**2011 Budget**	% Change
Long-term financing of operating activities	(39,400.0)	**(7,676.5)**	(80.5)
Repayment of long-term debt	352,119.5	**366,188.8**	4.0
Decentralized repayment of long-term debt[1]	(30,202.8)	**(28,799.0)**	(4.6)
Total	282,516.7	**329,713.3**	16.7

[1] These expenditures appear in the budgets of certain boroughs and city departments.

Long-Term Financing of Operating Activities

The Direction de l'environnement et du développement durable (environment and sustainable development) will acquire recycling bins at a cost of $7.7 million. Under the corresponding lending by-law adopted in 2009, this expenditure will be funded through a five-year loan matching the expected average service life of these bins.

Long-Term Debt Repayment

This heading pertains to all centralized costs associated with the long-term funding of capital works expenditures. Long-term debt repayment comprises the repayment of capital, plus contributions to the amortization funds.

Long-term debt repayment stands at $366.2 million in the 2011 Budget, up $14.1 million (+4%). This difference is primarily due to increased borrowing required for the long-term financing of new capital expenditures, partly offset by the maturing of certain debt and by the decline of expected capital subsidies in the 2011 Budget.

Of this total amount, $28,799.0 has been charged directly to the budgets of the following entities: the Commission des services électriques (electrical service commission), Montréal's Nature Museums, the Service de l'eau (water) and certain boroughs.

ELIMINATION OF INTERNAL AND INTER-ENTITY TRANSACTIONS

As provided by law, the City Council Budget and the Urban Agglomeration Council Budget must be formulated within two separate reporting entities.

Transactions to be eliminated result from the exchange of billed services between business units. These eliminations pertain to two types of transactions:

- Transactions to be eliminated constitute Montréal's share of expenditures under the responsibility of the Urban Agglomeration Council (quota shares). Since such transactions result from the exchange of services between the city and the urban agglomeration council budgets, they have been eliminated in the Ville de Montréal's Global Budget.
- Internal transactions resulting from the exchange of billed services between business units within a given reporting entity.
- Inter-entity transactions resulting from the exchange of billed services between business units in which the supplier is based in a reporting entity different from that of the client.

Table 34
Elimination of Internal and Inter-Entity Transactions

(In thousands of dollars)

	2010 Restated	**2011 Budget**	% Change
Elimination of internal and inter-entity transactions	(1,789,181.7)	**(1,853,465.6)**	3.6
Total	(1,789,181.7)	**(1,853,065.6)**	3.6

2011-2013 THREE-YEAR CAPITAL WORKS PROGRAM

OVERVIEW OF THE THREE-YEAR CAPITAL WORKS PROGRAM

The Three-Year Capital Works Program (TCWP) comprises a range of capital works projects that the Administration has planned as part of its efforts to build a city that meets the expectations of its residents. A total of $3,917.6 million has been earmarked for the city's 2011-2013 CWP, of which $1,800 million is to be financed by debt to be repaid by residents.

Over the next few years, the Administration will pursue its efforts to rehabilitate municipal facilities and infrastructure. Major investments of $1,228 million will be applied to the environment and underground infrastructure. A similarly substantial $1,151.3 million will be invested in road infrastructure.

The boroughs will apply $384.4 million to infrastructure and facilities that fall directly within their responsibilities, including $144.5 million in the 2011 Budget. This funding will be invested primarily in the road system, in community facilities and in local parks. Each borough invests in infrastructure and facilities according to resident priorities. Such major projects as the construction of a library in Saint-Laurent, the upgrade of the Pete Morin Arena in Lachine, the transfer of community halls from the Chénier school in Anjou, the construction of a new library in Côte-des-Neiges–Notre-Dame-de-Grâce will continue to be implemented or to be launched under the 2011 Budget.

The city understands the international stakes involved in sustainable development. The entire community's participation in the city's sustainable development efforts will make it possible, as of 2011, to make investments that reflect the Administration's commitment to this goal. Over $100 million will be spent on building and restoring solid waste facilities in the 2011 through 2013 period. The city will, over the next few years, continue creating ecocentres and launch construction of biomethanation, solid waste pretreatment and composting centres.

Special emphasis was placed on citywide park rehabilitation in planning the 2011-2013 Three-Year Capital Works Program. Funding of $43.2 million was specifically assigned to rehabilitating various borough parks and some large parks. An additional injection of $12 million has been set aside for protecting, acquiring, developing and maintaining natural environments. Major investments will also be made in Mount Royal Park, the area surrounding the Complexe environnemental de Saint-Michel and the large metropolitan parks. The city's different administrative units will invest $190.1 million over this three-year period in the city's various parks, green spaces and playgrounds. These investments will be used to modernize equipment and to upgrade Montréal's recreational facilities.

Montréal is also clearly committed to an excellent public transit system. Meeting this goal will also help reduce GHG emissions and benefit all residents. Montréal made a number of proposals in its Transportation Plan to improve its public transit services. These proposals will, over the next few years, result in major investments that facilitate daily access to public transit. The creation of reserved bus lanes on boulevard Pie-IX will require an investment of $144.3 million over the next three years. An investment of $143.4 to create a tramway system will improve public transit services in the Old Port, Old Montréal, the Montréal harbourfront and the downtown area. Furthermore, investments of some $30 million will be used to build access roads to Montréal's East End commuter line station.

Smaller, but equally important investments for turning the Transportation Plan into a reality will be used to expand the pan-Montréal bike path network. Beginning in 2011, an annually recurring investment of $9 million will be used to develop 50 km of new bike paths.

Montréal must invest in new infrastructure to permit all those in the region's economic development to play their roles effectively. Over the past few years, the Administration has created an Investment Fund, one goal of which is to support the efforts of these economic stakeholders. The 2011-2013 TCWP has set aside investments of $405 million for this purpose. Key development projects involve dismantling the Bonaventure Expressway ($118.5 million), installation of new infrastructure at the McGill University Health Centre (MUHC) ($57.5 million), redevelopment of the Place des Arts sector ($49.3 million) and construction of infrastructure on the Outremont campus of the Université de Montréal ($45 million).

Overall, the 2011-2013 Three-Year Capital Works Program stipulates that 63.2% of its investments will serve to protect the city's asset base and 36.8% will be used to create new municipal facilities and infrastructure to offer a high quality of service to Montréal residents.

The Administration has with this capital expenditure program once again illustrated its commitment to upgrading its infrastructure legacy and its intention of fully assuming its leadership role in different spheres of municipal activity.

STATUS OF CAPITAL WORKS ACTIVITIES FOR TAX PURPOSES

Investments of $3,917.6 million will be made throughout the Island of Montréal over the 2011 through 2013 period. One third of these investments ($1,305.9 million) will be funded by transfers, contributions paid by developers and miscellaneous revenues. Upfront payments for investments stand at $641.3 million and long-term financing stands at $1,800 million.

Nearly 62% of these investments pertain to transportation and environmental health. Furthermore, territorial and urban planning and development projects will be launched in 2012 and 2013.

Table 35
Status of Capital Works for Tax Purposes – City Budget

(In thousands of dollars)

	2011	2012	2013	Total 2011-2013
Capital expenditures				
General administration	68,719.0	57,783.0	59,057.0	185,559.0
Public security	23,923.0	20,014.0	18,415.0	62,352.0
Transportation	288,534.0	413,265.0	415,548.0	1,117,347.0
Environmental hygiene	418,674.0	457,854.0	434,020.0	1,310,548.0
Health and welfare	-	-	-	-
Urban planning and development	86,891.0	206,469.0	181,937.0	475,297.0
Recreation and culture	255,560.0	280,912.0	229,988.0	766,460.0
Total capital expenditures	1,142,301.0	1,436,297.0	1,338,965.0	3,917,563.0
Financing methods				
Revenues				
Transfers	282,988.0	481,098.0	472,892.0	1,236,978.0
Contributions paid by developers	5,735.0	7,060.0	4,610.0	17,405.0
Other revenues	13,790.0	22,237.0	15,510.0	51,537.0
Total revenues	302,513.0	510,395.0	493,012.0	1,305,920.0
Allocations	154,327.0	256,631.0	230,315.0	641,273.0
Long-term financing of capital expenditures				
Loans to be repaid through commercial activities	57,210.0	58,160.0	55,000.0	170,370.0
Loans to be repaid by the taxpayers	628,251.0	611,111.0	560,638.0	1,800,000.0
Total long-term financing of capital expenditures	685,461.0	669,271.0	615,638.0	1,970,370.0
Total financing methods	1,142,301.0	1,436,297.0	1,338,965.0	3,917,563.0
Three-Year Capital Works Program - Net				
Capital expenditures	1,142,301.0	1,436,297.0	1,338,965.0	3,917,563.0
Revenues	302,513.0	510,395.0	493,012.0	1,305,920.0
Allocations	154,327.0	256,631.0	230,315.0	641,273.0
Loans to be repaid through commercial activities	57,210.0	58,160.0	55,000.0	170,370.0
Loans to be repaid by the taxpayers (TCWP - Net)	628,251.0	611,111.0	560,638.0	1,800,000.0

Funding for the City Council's Three-Year Capital Works Program totals $1,910.6 million. These investments will be financed by an estimated $486 million in revenues from third parties. Montréal residents will make a $238.6 million upfront payment and acquire another $1,015.5 million in debt to finance these capital expenditures. Montréal's Commission des services électriques (electrical service commission) will self-finance its own expenditures of $170.4 million through its commercial activities.

Investments are primarily divided among three functions: 32% for "Transportation," 28% for "Recreation and Culture" and 21% for "Environmental Health."

Table 36
Status of Capital Works for Tax Purposes – City Council Budget
(in thousands of dollars)

	2011	2012	2013	Total 2011-2013
Capital expenditures				
General administration	42,508.0	32,156.0	30,441.0	105,105.0
Public security	308.0	202.0	134.0	644.0
Transportation	182,739.0	234,141.0	211,341.0	628,221.0
Environmental hygiene	145,386.0	136,234.0	136,750.0	418,370.0
Health and welfare				-
Urban planning and development	71,763.0	73,391.0	76,815.0	221,969.0
Recreation and culture	163,962.0	210,370.0	161,926.0	536,258.0
Total capital expenditures	606,666.0	686,494.0	617,407.0	1,910,567.0
Financing methods				
Revenues				
Transfers	95,731.0	162,319.0	162,909.0	420,959.0
Contributions paid by developers	5,735.0	7,060.0	4,610.0	17,405.0
Other revenues	12,633.0	21,449.0	13,590.0	47,672.0
Total revenues	114,099.0	190,828.0	181,109.0	486,036.0
Allocations	46,115.0	99,364.0	93,141.0	238,620.0
Long-term financing of capital expenditures				
Loans to be repaid through commercial activities	57,210.0	58,160.0	55,000.0	170,370.0
Loans to be repaid by the taxpayers	389,242.0	338,142.0	288,157.0	1,015,841.0
Total long-term financing of capital expenditures	446,452.0	396,302.0	343,157.0	1,185,911.0
Total financing methods	606,666.0	686,494.0	617,407.0	1,910,567.0
Three-Year Capital Works Program - Net				
Capital expenditures	606,666.0	686,494.0	617,407.0	1,910,567.0
Revenues	114,099.0	190,828.0	181,109.0	486,036.0
Allocations	46,115.0	99,364.0	93,141.0	238,620.0
Loans to be repaid through commercial activities	57,210.0	58,160.0	55,000.0	170,370.0
Loans to be repaid by the taxpayers (TCWP - Net)	389,242.0	338,142.0	288,157.0	1,015,841.0

Funding for the Urban Agglomeration Council's Three-Year Capital Works Program totals $2,007 million. These investments will be paid out of an estimated $819.9 million in revenues from third parties. Urban agglomeration residents will make a $402.7 million upfront payment and acquire another $784.5 million in debt for these capital expenditures.

The constantly growing "Transportation" function represents 24% of the investments. The "Environmental Health" function is stable at 44%. More "Territorial and Urban Planning and Development" function projects will be launched, starting in 2012, with investments that have been allocated for upgrading the public transit system.

Table 37

Status of Capital Works for Tax Purposes – Urban Agglomeration Council Budget

(in thousands of dollars)

	2011	2012	2013	Total 2011-2013
Capital expenditures				
General administration	26,211.0	25,627.0	28,616.0	80,454.0
Public security	23,615.0	19,812.0	18,281.0	61,708.0
Transportation	105,795.0	179,124.0	204,207.0	489,126.0
Environmental hygiene	273,288.0	321,620.0	297,270.0	892,178.0
Health and welfare	-	-	-	-
Urban planning and development	15,128.0	133,078.0	105,122.0	253,328.0
Recreation and culture	91,598.0	70,542.0	68,062.0	230,202.0
Total capital expenditures	535,635.0	749,803.0	721,558.0	2,006,996.0
Financing methods				
Revenues				
Transfers	187,257.0	318,779.0	309,983.0	816,019.0
Contributions paid by developers	-	-	-	-
Other revenues	1,157.0	788.0	1,920.0	3,865.0
Total revenues	188,414.0	319,567.0	311,903.0	819,884.0
Allocations	108,212.0	157,267.0	137,174.0	402,653.0
Long-term financing of capital expenditures				
Loans to be repaid through commercial activities	-	-	-	-
Loans to be repaid by the taxpayers	239,009.0	272,969.0	272,481.0	784,459.0
Total long-term financing of capital expenditures	239,009.0	272,969.0	272,481.0	784,459.0
Total financing methods	535,635.0	749,803.0	721,558.0	2,006,996.0
Three-Year Capital Works Program - Net				
Capital expenditures	535,635.0	749,803.0	721,558.0	2,006,996.0
Revenues	188,414.0	319,567.0	311,903.0	819,884.0
Allocations	108,212.0	157,267.0	137,174.0	402,653.0
Loans to be repaid through commercial activities	-	-	-	-
Loans to be repaid by the taxpayers (TCWP - Net)	239,009.0	272,969.0	272,481.0	784,459.0

FINANCING METHODS

Revenues

Transfers

Transfers relating to cost-sharing agreements and other transfers cover all subsidies targeting specific objectives. Nearly 25% of all projects are paid out of such transfers, which stand at $283 million in the 2011 Budget.

Contributions Paid by Developers

Contributions paid by developers, which are often called "deposits," represent the financial participation of property developers in capital works projects. The *By-law concerning infrastructures required for residential building projects*, which was adopted in 2003, obliges developers to fully finance new infrastructure for their projects. With this by-law, the city adopted a practice common in many Canadian municipalities and one that serves to reduce the debt associated with new infrastructure. This financing method is only employed in the City Council Budget.

Total contributions paid by developers stand at $5.7 million in the 2011 Budget.

Allocations

Operating Activities

This heading encompasses investments funded by allocations of surpluses and reserves, as well as investment expenditures paid up front and financed by tax revenues.

Long-Term Financing of Capital Expenditures

Loans repaid through commercial activities and loans repaid by taxpayers, one portion of which is funded by the City Council and the other by the Urban Agglomeration Council, provide for long-term financing of capital expenditures.

Loans to Be Repaid Through Commercial Activities

Such debt, pertaining to work of the Commission des services électriques (electrical service commission), is repaid from the proceeds of the Commission's commercial activities. This financing method only applies to the City Council Budget.

This financing method totals $57.2 million in the 2011 Budget and $170.4 million for the 2011 through 2013 period.

Debt to be Repaid by Taxpayers

Taxpayers are fully responsible for repayment of such debt.

There are two components to financial expenditures for municipal projects:

- Borough capital works projects that are very largely funded by Montréal taxpayers for projects that fall under City Council authority.
- Central capital works projects are paid by all urban agglomeration taxpayers for projects falling under Urban Agglomeration Council authority and by Montréal taxpayers for those falling under City Council authority.

Table 38

Analysis of the Loans to Be Repaid by the Taxpayers – City Budget

(In thousands of dollars)

Business units	2011	2012	2013	Total TCWP	Ulterior	Grand total
Boroughs						
Ahuntsic-Cartierville	5,111.0	5,110.0	5,110.0	15,331.0	-	15,331.0
Anjou	5,148.0	5,994.0	5,148.0	16,290.0	-	16,290.0
Côte-des-Neiges–Notre-Dame-de-Grâce	6,209.0	6,209.0	6,209.0	18,627.0	-	18,627.0
Lachine	7,375.0	100.0	87.0	7,562.0	-	7,562.0
LaSalle	5,132.0	5,132.0	5,132.0	15,396.0	-	15,396.0
L'Île-Bizard–Sainte-Geneviève	2,870.0	2,497.0	1,205.0	6,572.0	-	6,572.0
Mercier–Hochelaga-Maisonneuve	18,150.0	3,000.0	2,482.0	23,632.0	-	23,632.0
Montréal-Nord	4,650.0	3,948.0	3,200.0	11,798.0	-	11,798.0
Outremont	2,065.0	1,890.0	2,358.0	6,313.0	-	6,313.0
Pierrefonds-Roxboro	6,418.0	6,779.0	1,300.0	14,497.0	-	14,497.0
Plateau-Mont-Royal	5,105.0	4,140.0	5.0	9,250.0	12,785.0	22,035.0
Rivière-des-Prairies–Pointe-aux-Trembles	8,373.0	8,763.0	7,995.0	25,131.0	-	25,131.0
Rosemont–La Petite-Patrie	8,036.0	8,036.0	8,036.0	24,108.0	-	24,108.0
Saint-Laurent	9,532.0	9,750.0	4,724.0	24,006.0	10,711.0	34,717.0
Saint-Léonard	4,200.0	5,600.0	4,400.0	14,200.0	-	14,200.0
Sud-Ouest	6,800.0	4,860.0	4,510.0	16,170.0	-	16,170.0
Verdun	3,944.0	4,632.0	2,071.0	10,647.0	-	10,647.0
Ville-Marie	4,128.0	4,130.0	4,128.0	12,386.0	-	12,386.0
Villeray–Saint-Michel–Parc-Extension	6,900.0	5,872.0	5,450.0	18,222.0	-	18,222.0
Total boroughs	**120,146.0**	**96,442.0**	**73,550.0**	**290,138.0**	**23,496.0**	**313,634.0**
Central departments						
Direction générale						
- Muséums nature de Montréal	10,025.0	23,259.0	4,750.0	38,034.0	-	38,034.0
Commission des services électriques	58,170.0	59,120.0	55,960.0	173,250.0	-	173,250.0
Concertation des arrondissements et des ressources matérielles						
- Propreté et déneigement	7,672.0	7,500.0	7,500.0	22,672.0	19,728.0	42,400.0
- Matériel roulant et ateliers municipaux	1,662.0	1,500.0	1,500.0	4,662.0	-	4,662.0
- Stratégies et transactions immobilières	37,550.0	37,500.0	37,500.0	112,550.0	134,395.0	246,945.0
Développement et opérations				-		-
- Culture et patrimoine	25,889.0	37,993.0	36,624.0	100,506.0	157,370.0	257,876.0
- Développement économique et urbain	12,132.0	12,150.0	10,372.0	34,654.0	64,000.0	98,654.0
- Environnement et développement durable	9,035.0	11,244.0	7,971.0	28,250.0	34,724.0	62,974.0
- Fonds d'investissement	75,840.0	63,318.0	58,832.0	197,990.0	215,527.0	413,517.0
- Grands parcs et verdissement	28,249.0	28,204.0	30,338.0	86,791.0	-	86,791.0
- Habitation	5,000.0	3,962.0	5,180.0	14,142.0	25,029.0	39,171.0
- Sports	18,461.0	18,548.0	17,829.0	54,838.0	21,906.0	76,744.0
- Transport	125,562.0	134,998.0	135,001.0	395,561.0	-	395,561.0
- Travaux publics	875.0	893.0	911.0	2,679.0	2,679.0	5,358.0
Eau	60,803.0	61,094.0	54,996.0	176,893.0	719,660.0	896,553.0
Finances	21,040.0	12,000.0	22,697.0	55,737.0	-	55,737.0
Police	3,506.0	3,523.0	3,386.0	10,415.0	-	10,415.0
Sécurité incendie	14,034.0	14,099.0	13,553.0	41,686.0	-	41,686.0
Société du parc Jean-Drapeau	14,536.0	10,000.0	10,000.0	34,536.0	-	34,536.0
Technologies de l'information	35,274.0	31,924.0	27,188.0	94,386.0	23,384.0	117,770.0
Total central departments	**565,315.0**	**572,829.0**	**542,088.0**	**1,680,232.0**	**1,418,402.0**	**3,098,634.0**
Total	**685,461.0**	**669,271.0**	**615,638.0**	**1,970,370.0**	**1,441,898.0**	**3,412,268.0**

Debt Charged to the City Council

City taxpayers are fully responsible for servicing this debt. Investments of $446.5 million are scheduled for 2011, $118.3 million of which are earmarked for the boroughs and $328.2 million for the city departments.

Table 39
Analysis of the Loans to Be Repaid by the Taxpayers – City Council Budget

(In thousands of dollars)

Business units	2011	2012	2013	Total TCWP	Ulterior	Grand total
Boroughs						
Ahuntsic-Cartierville	5,111.0	5,110.0	5,110.0	15,331.0	-	15,331.0
Anjou	5,148.0	5,994.0	5,148.0	16,290.0	-	16,290.0
Côte-des-Neiges–Notre-Dame-de-Grâce	6,209.0	6,209.0	6,209.0	18,627.0	-	18,627.0
Lachine	7,375.0	100.0	87.0	7,562.0	-	7,562.0
LaSalle	5,132.0	5,132.0	5,132.0	15,396.0	-	15,396.0
L'Île-Bizard–Sainte-Geneviève	2,870.0	2,497.0	1,205.0	6,572.0	-	6,572.0
Mercier–Hochelaga-Maisonneuve	18,150.0	3,000.0	2,482.0	23,632.0	-	23,632.0
Montréal-Nord	4,650.0	3,948.0	3,200.0	11,798.0	-	11,798.0
Outremont	2,065.0	1,890.0	2,358.0	6,313.0	-	6,313.0
Pierrefonds-Roxboro	6,418.0	6,779.0	1,300.0	14,497.0	-	14,497.0
Plateau-Mont-Royal	5,105.0	4,140.0	5.0	9,250.0	12,785.0	22,035.0
Rivière-des-Prairies–Pointe-aux-Trembles	8,373.0	8,763.0	7,995.0	25,131.0	-	25,131.0
Rosemont–La Petite-Patrie	8,036.0	8,036.0	8,036.0	24,108.0	-	24,108.0
Saint-Laurent	9,532.0	9,750.0	4,724.0	24,006.0	10,711.0	34,717.0
Saint-Léonard	4,200.0	5,600.0	4,400.0	14,200.0	-	14,200.0
Sud-Ouest	6,800.0	4,860.0	4,510.0	16,170.0	-	16,170.0
Verdun	3,944.0	4,632.0	2,071.0	10,647.0	-	10,647.0
Ville-Marie	2,273.0	2,725.0	2,723.0	7,721.0	-	7,721.0
Villeray–Saint-Michel–Parc-Extension	6,900.0	5,872.0	5,450.0	18,222.0	-	18,222.0
Total boroughs	**118,291.0**	**95,037.0**	**72,145.0**	**285,473.0**	**23,496.0**	**308,969.0**
Central departments						
Direction générale						
- Muséums nature de Montréal	10,025.0	23,259.0	4,750.0	38,034.0	-	38,034.0
Commission des services électriques	58,170.0	59,120.0	55,960.0	173,250.0	-	173,250.0
Concertation des arrondissements et des ressources matérielles						
- Propreté et deneigement	7,672.0	7,500.0	7,500.0	22,672.0	19,728.0	42,400.0
- Matériel roulant et ateliers municipaux	979.0	727.0	727.0	2,433.0	-	2,433.0
- Stratégies et transactions immobilières	22,526.0	24,103.0	17,228.0	63,857.0	83,599.0	147,456.0
Développement et opérations						
- Culture et patrimoine	16,265.0	18,264.0	16,324.0	50,853.0	120.0	50,973.0
- Développement économique et urbain	5,057.0	300.0	5,300.0	10,657.0	55,000.0	65,657.0
- Environnement et développement durable	500.0	2,000.0	2,000.0	4,500.0	5,500.0	10,000.0
- Fonds d'investissement	38,401.0	26,058.0	32,411.0	96,870.0	109,179.0	206,049.0
- Grands parcs et verdissement	20,620.0	14,523.0	9,160.0	44,303.0	-	44,303.0
- Habitation	1,319.0	-	-	1,319.0	-	1,319.0
- Sports	18,461.0	18,548.0	17,829.0	54,838.0	21,906.0	76,744.0
- Transport	90,331.0	89,404.0	78,817.0	258,552.0	-	258,552.0
- Travaux publics	583.0	594.0	606.0	1,783.0	1,783.0	3,566.0
Eau	20,249.0	2,185.0	2,378.0	24,812.0	-	24,812.0
Finances	4,040.0	-	5,697.0	9,737.0	-	9,737.0
Police	133.0	133.0	132.0	398.0	-	398.0
Technologies de l'information	12,830.0	14,547.0	14,193.0	41,570.0	17,221.0	58,791.0
Total central departments	**328,161.0**	**301,265.0**	**271,012.0**	**900,438.0**	**314,036.0**	**1,214,474.0**
Total	**446,452.0**	**396,302.0**	**343,157.0**	**1,185,911.0**	**337,532.0**	**1,523,443.0**

Debt Charged to the Urban Agglomeration

The urban agglomeration's taxpayers are fully responsible for the cost of servicing such debt. Investments of $239 million are to be financed by this type of debt in the 2011 Budget.

Ville-Marie has three projects falling under the authority of the Urban Agglomeration Council. Funding of $900.0 has been earmarked for green spaces and another $955.0 for infrastructure.

Table 40

Analysis of the Loans to Be Repaid by the Taxpayers – Urban Agglomeration Council Budget

(In thousands of dollars)

Business units	2011	2012	2013	Total TCWP	Ulterior	Grand total
Boroughs						
Ville-Marie	1,855.0	1,405.0	1,405.0	4,665.0	-	4,665.0
Total boroughs	**1,855.0**	**1,405.0**	**1,405.0**	**4,665.0**	-	**4,665.0**
Central departments						
Concertation des arrondissements et des ressources matérielles						
- Matériel roulant et ateliers municipaux	683.0	773.0	773.0	2,229.0	-	2,229.0
- Stratégies et transactions immobilières	15,024.0	13,397.0	20,272.0	48,693.0	50,796.0	99,489.0
Développement et opérations						
- Culture et patrimoine	9,624.0	19,729.0	20,300.0	49,653.0	157,250.0	206,903.0
- Développement économique et urbain	7,075.0	11,850.0	5,072.0	23,997.0	9,000.0	32,997.0
- Environnement et développement durable	8,535.0	9,244.0	5,971.0	23,750.0	29,224.0	52,974.0
- Fonds d'investissement	37,439.0	37,260.0	26,421.0	101,120.0	106,348.0	207,468.0
- Grands parcs et verdissement	7,629.0	13,681.0	21,178.0	42,488.0	-	42,488.0
- Habitation	3,681.0	3,962.0	5,180.0	12,823.0	25,029.0	37,852.0
- Transport	35,231.0	45,594.0	56,184.0	137,009.0	-	137,009.0
- Travaux publics	292.0	299.0	305.0	896.0	896.0	1,792.0
Eau	40,554.0	58,909.0	52,618.0	152,081.0	719,660.0	871,741.0
Finances	17,000.0	12,000.0	17,000.0	46,000.0	-	46,000.0
Police	3,373.0	3,390.0	3,254.0	10,017.0	-	10,017.0
Sécurité incendie	14,034.0	14,099.0	13,553.0	41,686.0	-	41,686.0
Société du parc Jean-Drapeau	14,536.0	10,000.0	10,000.0	34,536.0	-	34,536.0
Technologies de l'information	22,444.0	17,377.0	12,995.0	52,816.0	6,163.0	58,979.0
Total central departments	**237,154.0**	**271,564.0**	**271,076.0**	**779,794.0**	**1,104,366.0**	**1,884,160.0**
Total	**239,009.0**	**272,969.0**	**272,481.0**	**784,459.0**	**1,104,366.0**	**1,888,825.0**

CAPITAL EXPENDITURES BY ASSET CATEGORY

This section presents City Council and Urban Agglomeration Council budget capital expenditures by asset category.

City Council Capital Expenditures by Asset Category

Table 41
Capital Expenditures by Asset Category – City Budget
(In thousands of dollars)

	2011		2012		2013		2011-2013	
Asset category	**Protection**	**Development**	**Protection**	**Development**	**Protection**	**Development**	**Protection**	**Development**
Road infrastructure	195,300.0	125,973.0	214,498.0	207,937.0	226,310.0	181,337.0	636,108.0	515,247.0
Environment and underground infrastructure	364,583.0	36,075.0	408,605.0	13,326.0	390,240.0	14,968.0	1,163,428.0	64,369.0
Parks, green spaces and playgrounds	66,655.0	39,729.0	68,208.0	30,994.0	55,269.0	28,854.0	190,132.0	97,577.0
Buildings	118,050.0	91,216.0	104,461.0	179,044.0	127,107.0	110,766.0	349,618.0	381,026.0
Land	6,110.0	2,924.0	4,789.0	34,937.0	10,783.0	36,483.0	21,682.0	74,344.0
Vehicles	29,247.0	-	24,695.0	-	22,668.0	-	76,610.0	-
Office furnishings and equipment	5,363.0	35,149.0	5,684.0	30,084.0	8,664.0	21,693.0	19,711.0	86,926.0
Machinery, specialized tools and equipment	4,931.0	265.0	4,152.0	100.0	5,439.0	-	14,522.0	365.0
Other assets	787.0	19,944.0	1,014.0	103,769.0	728.0	99,656.0	2,529.0	223,369.0
Total investment	**791,026.0**	**351,275.0**	**836,106.0**	**600,191.0**	**847,208.0**	**491,757.0**	**2,474,340.0**	**1,443,223.0**
Percentage	**69.2%**	**30.8%**	**58.2%**	**41.8%**	**63.3%**	**36.7%**	**63.2%**	**36.8%**

Protection Programs

Investments of $2,474.3 million will be used under the 2011-2013 Three-Year Capital Works Program to refurbish and replace municipal assets. Such investments primarily pertain to underground infrastructure, the road system and buildings.

The Global Budget earmarks investments of $636.1 million for rehabilitating the road systems over the 2011 through 2013 period, including $195.3 million to be spent in 2011. The three-year budget will be used to pursue efforts deployed in this area over the past few years.

Investments in underground infrastructure, such as the water and sewer systems, stand at $1,163.4 million in the 2011-2013 CWP. Investments of $364.6 million will be made in different boroughs during 2011.

The 2011 Budget has earmarked investments of some $118.1 million for repairing various municipal buildings. More than $349.6 million will be invested in this sector over the 2011 through 2013 period. Major investments will also be made in the protection of parks, green spaces and playgrounds. Funding of $190.1 million has been set aside for upgrading Montréal's leisure areas and for making them safer.

Development Projects

Montréal's economic development and the construction of new facilities to provide better services to residents will require $1,443.2 million in investments over the three-year period.

Montréal's quality of life will be further enhanced by additional sports and community services to be dispensed by the boroughs. Work will continue or be launched on major projects, such as the construction of a library and a sports centre in Saint-Laurent and de Côte-des-Neiges–Notre-Dame-de-Grâce and the creation of a park in Sud-Ouest.

Over the 2011-2013 period, the city will allocate substantial funding to create an East End commuter line and a tramway, build a new planetarium, redesign the place d'Armes and revamp a number of borough libraries. Substantial investments will also be made to introduce a solid waste management plan. Several new facilities, such as ecocentres, digesters, composting centres and so forth will be built to recover and transform solid waste.

The Investment Fund will provide substantial assistance to the development and support of economic projects aimed at boosting property value. This fund is scheduled to allocate more than $386.1 million to different development projects, including $124.4 million during 2011. This funding will particularly assist in the continued or new implementation of residential and multipurpose projects, such as those on the northern tip of Île-des-Sœurs in Verdun, the Anse-à-l'Orme sector of Pierrefonds and the Griffintown sector of Sud-Ouest. Furthermore, investments will be used to install infrastructure in the sectors of the former Rosemont shops in Rosemont–La Petite-Patrie and Saint-Viateur in Plateau Mont-Royal.

Major investments will also be applied to dismantling the Bonaventure Expressway and to installing infrastructure for the McGill University Health Centre.

Through these efforts, the city seeks to support its economic partners in job and wealth creation projects.

Table 42
Capital Expenditures by Asset Category – City Council Budget
(In thousands of dollars)

	2011		2012		2013		2011-2013	
Asset category	**Protection**	**Development**	**Protection**	**Development**	**Protection**	**Development**	**Protection**	**Development**
Road infrastructure	175,715.0	43,596.0	191,493.0	84,894.0	191,777.0	51,638.0	558,985.0	180,128.0
Environment and underground infrastructure	118,005.0	22,813.0	124,687.0	7,387.0	127,196.0	6,862.0	369,888.0	37,062.0
Parks, green spaces and playgrounds	34,057.0	6,595.0	34,051.0	12,539.0	17,972.0	10,850.0	86,080.0	29,984.0
Buildings	84,165.0	64,535.0	72,450.0	104,413.0	78,544.0	65,620.0	235,159.0	234,568.0
Land	5,960.0	2,905.0	4,639.0	2,218.0	10,633.0	3,764.0	21,232.0	8,887.0
Vehicles	17,899.0	-	13,389.0	-	11,422.0	-	42,710.0	-
Office furnishings and equipment	2,648.0	13,469.0	3,105.0	14,623.0	4,584.0	12,191.0	10,337.0	40,283.0
Machinery, specialized tools and equipment	2,823.0	265.0	3,129.0	100.0	4,416.0	-	10,368.0	365.0
Other assets	600.0	10,616.0	584.0	12,793.0	628.0	19,310.0	1,812.0	42,719.0
Total investment	**441,872.0**	**164,794.0**	**447,527.0**	**238,967.0**	**447,172.0**	**170,235.0**	**1,336,571.0**	**573,996.0**
Percentage	**72.8%**	**27.2%**	**65.2%**	**34.8%**	**72.4%**	**27.6%**	**70.0%**	**30.0%**

Table 43
Capital Expenditures by Asset Category – Urban Agglomeration Council Budget

(In thousands of dollars)

	2011		2012		2013		2011-2013	
Asset category	**Protection**	**Development**	**Protection**	**Development**	**Protection**	**Development**	**Protection**	**Development**
Road infrastructure	19,585.0	82,377.0	23,005.0	123,043.0	34,533.0	129,699.0	77,123.0	335,119.0
Environment and underground infrastructure	246,578.0	13,262.0	283,918.0	5,939.0	263,044.0	8,106.0	793,540.0	27,307.0
Parks, green spaces and playgrounds	32,598.0	33,134.0	34,157.0	18,455.0	37,297.0	16,004.0	104,052.0	67,593.0
Buildings	33,885.0	26,681.0	32,011.0	74,631.0	48,563.0	45,146.0	114,459.0	146,458.0
Land	150.0	19.0	150.0	32,719.0	150.0	32,719.0	450.0	65,457.0
Vehicles	11,348.0	-	11,306.0	-	11,246.0	-	33,900.0	-
Office furnishings and equipment	2,715.0	21,680.0	2,579.0	15,461.0	4,080.0	9,502.0	9,374.0	46,643.0
Machinery, specialized tools and equipment	2,108.0	-	1,023.0	-	1,023.0	-	4,154.0	-
Other assets	187.0	9,328.0	430.0	90,976.0	100.0	80,346.0	717.0	180,650.0
Total investment	**349,154.0**	**186,481.0**	**388,579.0**	**361,224.0**	**400,036.0**	**321,522.0**	**1,137,769.0**	**869,227.0**
Percentage	**65.2%**	**34.8%**	**51.8%**	**48.2%**	**55.4%**	**44.6%**	**56.7%**	**43.3%**

FINANCING METHODS BY ASSET CATEGORY

The following tables illustrate financing by asset category. The highest subsidy levels are awarded to underground infrastructure. Various federal and provincial programs, such as the Pipeline Renewal Program, the Québec Fuel Tax and Contribution Transfer Program and the Building Canada Fund — Quebec, serve primarily to rehabilitate water and sewage systems, as well as drinking water production and wastewater treatment plants. Over the next three years, the higher levels of government will provide some $645 million in assistance to pay for underground infrastructure.

Rehabilitation of road infrastructure and repair of municipal buildings benefit least from subsidy programs. Over the next three years, residents throughout Montréal will be responsible for financing an estimated $1,257.7 million for such expenditures, with $252.1 million of this amount paid up front.

Table 44

Financing Methods by Asset Category – City Budget

(In thousands of dollars)

	Revenues			Loans			Allocations			Total
Asset category	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011-2013**
Road infrastructure	33,685	60,436	56,477	260,604	279,823	246,553	26,984	82,176	104,617	1,151,355
Environment and underground infrastructure	191,932	222,388	230,698	92,347	75,596	67,599	116,379	123,947	106,911	1,227,797
Parks, green spaces and playgrounds	33,582	30,608	22,384	71,267	56,394	57,839	1,535	12,200	1,900	287,709
Buildings	35,084	93,976	92,447	167,801	168,187	134,778	6,381	21,342	10,848	730,844
Land	525	32,025	32,025	7,884	2,983	15,241	625	4,718	-	96,026
Vehicles	-	-	-	27,687	24,395	20,918	1,560	300	1,750	76,610
Office furnishings and equipment	375	-	-	39,357	35,663	30,252	780	105	105	106,637
Machinery, specialized tools and equipment	-	-	-	5,196	4,252	5,439	-	-	-	14,887
Other assets	7,330	70,962	58,981	13,308	21,978	37,019	93	11,843	4,384	225,898
Total	302,513	510,385	493,012	686,461	669,271	615,638	154,327	256,631	230,315	3,917,883

Table 45

Financing Methods by Asset Category – City Council Budget

(In thousands of dollars)

	Revenues			Loans			Allocations			Total
Asset category	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011-2013**
Road infrastructure	5,042	18,829	10,197	202,895	206,755	174,169	11,374	50,903	59,049	739,113
Environment and underground infrastructure	73,849	101,555	94,654	42,169	10,701	11,004	24,800	19,818	28,400	406,950
Parks, green spaces and playgrounds	3,129	8,534	9,939	35,988	25,856	16,983	1,535	12,200	1,900	116,064
Buildings	29,855	57,469	61,513	112,464	112,537	79,714	6,381	6,857	2,937	469,727
Land	500	2,000	2,000	7,740	2,639	12,397	625	2,218	-	30,119
Vehicles	-	-	-	16,649	13,389	10,672	1,250	-	750	42,710
Office furnishings and equipment	-	-	-	15,967	17,623	18,670	150	105	105	52,620
Machinery, specialized tools and equipment	-	-	-	3,088	3,229	4,416	-	-	-	10,733
Other assets	1,724	2,441	2,806	9,492	3,573	17,132	-	7,363	-	44,531
Total	114,099	190,828	181,109	446,452	396,302	343,157	46,115	99,364	93,141	1,910,567

Table 46

Financing Methods by Asset Category – Urban Agglomeration Council Budget

(In thousands of dollars)

	Revenues			Loans			Allocations			Total
Asset category	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011-2013**
Road infrastructure	28,643	41,607	46,280	57,709	73,068	72,384	15,610	31,373	45,568	**412,242**
Environment and underground infrastructure	118,083	120,833	136,044	50,178	64,895	56,595	91,579	104,129	78,511	**820,847**
Parks, green spaces and playgrounds	30,453	22,074	12,445	35,279	30,538	40,856	-	-	-	**171,645**
Buildings	5,229	36,507	30,934	55,337	55,650	55,064	-	14,485	7,711	**260,917**
Land	25	30,025	30,025	144	344	2,844	-	2,500	-	**65,907**
Vehicles	-	-	-	11,048	11,006	10,246	300	300	1,000	**33,900**
Office furnishings and equipment	375	-	-	23,390	18,040	13,582	630	-	-	**56,017**
Machinery, specialized tools and equipment	-	-	-	2,108	1,023	1,023	-	-	-	**4,154**
Other assets	5,606	68,521	56,175	3,816	18,405	19,887	93	4,480	4,384	**181,367**
Total	188,414	319,567	311,903	239,009	272,969	272,481	108,212	157,267	137,174	**2,006,996**

IMPACT ON THE OPERATING BUDGET

Capital works projects have an impact on the Operating Budget, in terms of resulting debt service and operating activity budgets.

Operating Activities

The financial impact of a capital expenditure project can take different forms:

- By generating additional fiscal and non-fiscal revenues (such as user fees).
- By generating additional costs.
- Through savings.
- Through costs avoided.

Such types of impact may or may not be recurring.

CAPITAL EXPENDITURES BY BUSINESS UNIT

This section presents capital expenditures by business unit. There are two types of such units: the boroughs and the city departments. The boroughs are in charge of capital works projects pertaining to local services. The city departments are responsible for capital works projects that serve the Montréal community or that require special know-how.

The boroughs must set their own capital work priorities, based on local needs and within the scope of their responsibilities. Funding for borough capital works projects falling under City Council authority stands at $142.7 million in the 2011 Budget or 23.5% of the City Council's TCWP funding. Funding for borough capital works projects falling under either City Council or Urban Agglomeration Council authority stands at $144.5 million and represents 12.7% of all TCWP spending.

A summary of capital expenditures by business unit for the Ville de Montréal budget and those for the municipal budget and the urban agglomeration budget appear on the next few pages.

Table 47
Summary of Capital Expenditures by Business Unit – City Budget

(In thousands of dollars)

Business units	2011	2012	2013	TCWP Total	Ulterior	Grand Total
Boroughs						
Ahuntsic-Cartierville	5,549.0	5,110.0	5,110.0	**15,769.0**	-	15,769.0
Anjou	5,148.0	5,994.0	5,148.0	**16,290.0**	-	16,290.0
Côte-des-Neiges–Notre-Dame-de-Grâce	6,209.0	6,209.0	6,209.0	**18,627.0**	-	18,627.0
Lachine	7,375.0	100.0	87.0	**7,562.0**	-	7,562.0
LaSalle	5,132.0	5,132.0	5,132.0	**15,396.0**	-	15,396.0
L'Île-Bizard–Sainte-Geneviève	2,870.0	2,497.0	1,205.0	**6,572.0**	-	6,572.0
Mercier–Hochelaga-Maisonneuve	18,150.0	3,000.0	2,482.0	**23,632.0**	-	23,632.0
Montréal-Nord	4,650.0	4,184.0	3,350.0	**12,184.0**	-	12,184.0
Outremont	2,065.0	1,890.0	2,358.0	**6,313.0**	-	6,313.0
Pierrefonds-Roxboro	10,153.0	11,839.0	5,910.0	**27,902.0**	-	27,902.0
Plateau-Mont-Royal	5,105.0	4,140.0	5.0	**9,250.0**	12,785.0	22,035.0
Rivière-des-Prairies–Pointe-aux-Trembles	8,373.0	8,763.0	7,995.0	**25,131.0**	-	25,131.0
Rosemont–La Petite-Patrie	8,036.0	8,036.0	8,036.0	**24,108.0**	-	24,108.0
Saint-Laurent	26,800.0	40,492.0	22,631.0	**89,923.0**	10,711.0	100,634.0
Saint-Léonard	5,100.0	6,135.0	6,000.0	**17,235.0**	-	17,235.0
Sud-Ouest	7,726.0	10,786.0	7,383.0	**25,895.0**	-	25,895.0
Verdun	3,944.0	4,632.0	2,071.0	**10,647.0**	-	10,647.0
Ville-Marie	5,230.0	4,235.0	4,233.0	**13,698.0**	-	13,698.0
Villeray–Saint-Michel–Parc-Extension	6,900.0	5,872.0	5,450.0	**18,222.0**	-	18,222.0
Total boroughs	**144,515.0**	**139,046.0**	**100,795.0**	**384,356.0**	**23,496.0**	**407,852.0**
Central departments						
Direction générale						
- Muséums nature de Montréal	22,490.0	49,834.0	36,976.0	**109,300.0**	-	109,300.0
Commission des services électriques	58,170.0	59,120.0	55,960.0	**173,250.0**	-	173,250.0
Concertation des arrondissements et des ressources matérielles						
- Propreté et déneigement	7,672.0	7,500.0	7,500.0	**22,672.0**	19,728.0	42,400.0
- Matériel roulant et ateliers municipaux	1,662.0	1,500.0	1,500.0	**4,662.0**	-	4,662.0
- Stratégies et transactions immobilières	38,384.0	38,401.0	37,860.0	**114,645.0**	134,395.0	249,040.0
Développement et opérations						
- Culture et patrimoine	58,799.0	71,850.0	73,196.0	**203,845.0**	346,120.0	549,965.0
- Développement économique et urbain	19,313.0	35,730.0	13,152.0	**68,195.0**	64,000.0	132,195.0
- Environnement et développement durable	12,731.0	56,077.0	31,996.0	**100,804.0**	63,754.0	164,558.0
- Fonds d'investissement	124,436.0	159,490.0	121,044.0	**404,970.0**	247,658.0	652,628.0
- Grands parcs et verdissement	30,676.0	44,918.0	37,438.0	**113,032.0**	-	113,032.0
- Habitation	5,000.0	3,962.0	5,180.0	**14,142.0**	25,029.0	39,171.0
- Sports	19,261.0	19,748.0	31,229.0	**70,238.0**	23,506.0	93,744.0
- Transport	151,405.0	275,684.0	323,777.0	**750,866.0**	-	750,866.0
- Travaux publics	875.0	893.0	911.0	**2,679.0**	2,679.0	5,358.0
Eau	358,522.0	400,998.0	383,627.0	**1,143,147.0**	1,024,383.0	2,167,530.0
Finances	21,040.0	12,000.0	22,697.0	**55,737.0**	-	55,737.0
Police	3,506.0	3,523.0	3,386.0	**10,415.0**	-	10,415.0
Sécurité incendie	14,034.0	14,099.0	13,553.0	**41,686.0**	-	41,686.0
Société du parc Jean-Drapeau	14,536.0	10,000.0	10,000.0	**34,536.0**	-	34,536.0
Technologies de l'information	35,274.0	31,924.0	27,188.0	**94,386.0**	23,384.0	117,770.0
Total central departments	**997,786.0**	**1,297,251.0**	**1,238,170.0**	**3,533,207.0**	**1,974,636.0**	**5,507,843.0**
Total investment	**1,142,301.0**	**1,436,297.0**	**1,338,965.0**	**3,917,563.0**	**1,998,132.0**	**5,915,695.0**

Table 48

Summary of Capital Expenditures by Business Unit – City Council Budget

(In thousands of dollars)

Business units	2011	2012	2013	TCWP Total	Ulterior	Grand Total
Boroughs						
Ahuntsic-Cartierville	5,549.0	5,110.0	5,110.0	**15,769.0**	-	15,769.0
Anjou	5,148.0	5,994.0	5,148.0	**16,290.0**	-	16,290.0
Côte-des-Neiges–Notre-Dame-de-Grâce	6,209.0	6,209.0	6,209.0	**18,627.0**	-	18,627.0
Lachine	7,375.0	100.0	87.0	**7,562.0**	-	7,562.0
LaSalle	5,132.0	5,132.0	5,132.0	**15,396.0**	-	15,396.0
L'Île-Bizard–Sainte-Geneviève	2,870.0	2,497.0	1,205.0	**6,572.0**	-	6,572.0
Mercier–Hochelaga-Maisonneuve	18,150.0	3,000.0	2,482.0	**23,632.0**	-	23,632.0
Montréal-Nord	4,650.0	4,184.0	3,350.0	**12,184.0**	-	12,184.0
Outremont	2,065.0	1,890.0	2,358.0	**6,313.0**	-	6,313.0
Pierrefonds-Roxboro	10,153.0	11,839.0	5,910.0	**27,902.0**	-	27,902.0
Plateau-Mont-Royal	5,105.0	4,140.0	5.0	**9,250.0**	12,785.0	22,035.0
Rivière-des-Prairies–Pointe-aux-Trembles	8,373.0	8,763.0	7,995.0	**25,131.0**	-	25,131.0
Rosemont–La Petite-Patrie	8,036.0	8,036.0	8,036.0	**24,108.0**	-	24,108.0
Saint-Laurent	26,800.0	40,492.0	22,631.0	**89,923.0**	10,711.0	100,634.0
Saint-Léonard	5,100.0	6,135.0	6,000.0	**17,235.0**	-	17,235.0
Sud-Ouest	7,726.0	10,786.0	7,383.0	**25,895.0**	-	25,895.0
Verdun	3,944.0	4,632.0	2,071.0	**10,647.0**	-	10,647.0
Ville-Marie	3,375.0	2,830.0	2,828.0	**9,033.0**	-	9,033.0
Villeray–Saint-Michel–Parc-Extension	6,900.0	5,872.0	5,450.0	**18,222.0**	-	18,222.0
Total boroughs	**142,660.0**	**137,641.0**	**99,390.0**	**379,691.0**	**23,496.0**	**403,187.0**
Central departments						
Direction générale						
- Muséums nature de Montréal	22,490.0	49,834.0	36,976.0	**109,300.0**	-	109,300.0
Commission des services électriques	58,170.0	59,120.0	55,960.0	**173,250.0**	-	173,250.0
Concertation des arrondissements et des ressources matérielles						
- Propreté et déneigement	7,672.0	7,500.0	7,500.0	**22,672.0**	19,728.0	42,400.0
- Matériel roulant et ateliers municipaux	979.0	727.0	727.0	**2,433.0**	-	2,433.0
- Stratégies et transactions immobilières	23,270.0	24,854.0	17,568.0	**65,692.0**	83,599.0	149,291.0
Développement et opérations						
- Culture et patrimoine	24,708.0	26,686.0	24,724.0	**76,118.0**	120.0	76,238.0
- Développement économique et urbain	5,557.0	15,337.0	7,238.0	**28,132.0**	55,000.0	83,132.0
- Environnement et développement durable	1,000.0	4,000.0	4,000.0	**9,000.0**	11,000.0	20,000.0
- Fonds d'investissement	48,541.0	66,652.0	47,103.0	**162,296.0**	129,321.0	291,617.0
- Grands parcs et verdissement	20,700.0	24,030.0	9,410.0	**54,140.0**	-	54,140.0
- Habitation	1,319.0	-	-	**1,319.0**		1,319.0
- Sports	19,261.0	19,748.0	31,229.0	**70,238.0**	23,506.0	93,744.0
- Transport	102,570.0	117,904.0	135,258.0	**355,732.0**	-	355,732.0
- Travaux publics	583.0	594.0	606.0	**1,783.0**	1,783.0	3,566.0
Eau	110,183.0	117,187.0	119,696.0	**347,066.0**	-	347,066.0
Finances	4,040.0	-	5,697.0	**9,737.0**	-	9,737.0
Police	133.0	133.0	132.0	**398.0**	-	398.0
Technologies de l'information	12,830.0	14,547.0	14,193.0	**41,570.0**	17,221.0	58,791.0
Total central departments	**464,006.0**	**548,853.0**	**518,017.0**	**1,530,876.0**	**341,278.0**	**1,872,154.0**
Total investment	**606,666.0**	**686,494.0**	**617,407.0**	**1,910,567.0**	**364,774.0**	**2,275,341.0**

Table 49

Summary of Capital Expenditures by Business Unit – Urban Agglomeration Council Budget

(in thousands of dollars)

Business units	2011	2012	2013	TCWP Total	Ulterior	Grand Total
Boroughs						
Ville-Marie	1,855.0	1,405.0	1,405.0	4,665.0	-	4,665.0
Total boroughs	**1,855.0**	**1,405.0**	**1,405.0**	**4,665.0**	-	**4,665.0**
Central departments						
Concertation des arrondissements et des ressources matérielles						
- Matériel roulant et ateliers municipaux	683.0	773.0	773.0	2,229.0	-	2,229.0
- Stratégies et transactions immobilières	15,114.0	13,547.0	20,292.0	48,953.0	50,796.0	99,749.0
Développement et opérations						-
- Culture et patrimoine	34,091.0	45,164.0	48,472.0	127,727.0	346,000.0	473,727.0
- Développement économique et urbain	13,756.0	20,393.0	5,914.0	40,063.0	9,000.0	49,0[illegible].0
- Environnement et développement durable	11,731.0	52,077.0	27,996.0	91,804.0	52,754.0	144,558.0
- Fonds d'investissement	75,895.0	92,838.0	73,941.0	242,674.0	118,337.0	361,011.0
- Grands parcs et verdissement	9,978.0	20,886.0	28,028.0	58,892.0	-	58,892.0
- Habitation	3,681.0	3,962.0	5,180.0	12,823.0	25,029.0	37,852.0
- Transport	48,835.0	157,780.0	188,519.0	395,134.0	-	395,134.0
- Travaux publics	292.0	299.0	305.0	896.0	896.0	1,792.0
Eau	248,339.0	263,811.0	283,931.0	796,081.0	1,024,383.0	1,820,464.0
Finances	17,000.0	12,000.0	17,000.0	46,000.0	-	46,000.0
Police	3,373.0	3,390.0	3,254.0	10,017.0	-	10,017.0
Sécurité incendie	14,034.0	14,099.0	13,553.0	41,686.0	-	41,686.0
Société du parc Jean-Drapeau	14,536.0	10,000.0	10,000.0	34,536.0	-	34,536.0
Technologies de l'information	22,444.0	17,377.0	12,995.0	52,816.0	6,163.0	58,979.0
Total central departments	**533,780.0**	**748,398.0**	**720,153.0**	**2,002,331.0**	**1,633,358.0**	**3,635,689.0**
Total investment	**535,635.0**	**749,803.0**	**721,558.0**	**2,006,996.0**	**1,633,358.0**	**3,640,354.0**

DETAILS OF INVESTMENT EXPENDITURE BY PROJECT OF THE CITY COUNCIL BUDGET

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand Total
36506	Purchase of indoor sports equipment	35.0	35.0	35.0	105.0	-	105.0
68614	Acquisition of equipment and computer system development	100.0	100.0	100.0	300.0	-	300.0
36306	Acquisition of artworks	150.0	150.0	150.0	450.0	-	450.0
70009	Acquisition of an inventory software package - East, West regions and security	-	-	71.0	71.0	-	71.0
38120	Acquisition and enhancement of cultural equipment	2,950.0	5,000.0	5,000.0	12,950.0	-	12,950.0
59020	Improvement of pedestrian traffic	250.0	2,000.0	2,000.0	4,250.0	-	4,250.0
32520	Development of a skateboard area	-	70.0	-	70.0	-	70.0
34600	Development of the L'Assomption nursery	100.0	100.0	100.0	300.0	-	300.0
32025	Development of new local parks	260.0	-	-	260.0	-	260.0
32513	Development of new local parks	-	100.0	-	100.0	-	100.0
32516	Landscaping parks - Mitchell et Jules-Poitras sites	450.0	-	-	450.0	-	450.0
32518	Landscaping parks - Philippe-Laheurte	250.0	425.0	-	675.0	5,500.0	6,175.0
68083	Procurement II	1,151.0	2,008.0	453.0	3,612.0	-	3,612.0
40136	Nouveau Havre basins - infrastructure and development	137.0	53.0	-	190.0	-	190.0
40156	Bellechasse and Saint-Denis - infrastructure prerequisites	250.0	2,000.0	-	2,250.0	-	2,250.0
40131	Boulevard Thimens - industrial development	1,757.0	-	-	1,757.0	-	1,757.0
39001	Outremont Campus - infrastructure and development	2,021.0	15,377.0	27,630.0	45,028.0	106,759.0	151,787.0
30058	René-Masson Campus	310.0	3,848.0	4,400.0	8,558.0	-	8,558.0
39900	Posting columns	575.0	-	-	575.0	-	575.0
40509	Construction of a multi-purpose centre	-	100.0	-	100.0	-	100.0
30085	Construction of a sports complex	2,755.0	18,815.0	17,613.0	39,183.0	-	39,183.0
30086	Construction of a library	13,548.0	13,548.0	-	27,096.0	-	27,096.0
30099	Construction of a library	2,000.0	1,700.0	700.0	4,400.0	-	4,400.0
42400	Construction of the Benny sports and community complex	1,450.0	-	-	1,450.0	-	1,450.0
37002	Construction of a new planetarium	10,959.0	31,054.0	-	42,013.0	-	42,013.0
69900	Conversion - underground cables	960.0	960.0	960.0	2,880.0	-	2,880.0
59022	Determination of traffic-calming perimeters	3,250.0	3,250.0	3,250.0	9,750.0	-	9,750.0
48008	Additional projects – development of social and community housing	1,319.0	-	-	1,319.0	-	1,319.0
10000	Residential development - Angus	-	175.0	-	175.0	-	175.0
16513	Residential development - infrastructures	3,735.0	5,060.0	4,610.0	13,405.0	-	13,405.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
11615	Residential development - Bois-Franc project	900.0	800.0	600.0	**2,300.0**	-	2,300.0
55001	Residential development - Louis-H. Lafontaine site	1,950.0	-	-	**1,950.0**	-	1,950.0
68183	Development - Saint-Viateur	200.0	400.0	1.0	**601.0**	1,349.0	1,950.0
70300	Management of processing capacity of the Unix-Oracle servers	-	500.0	359.0	**859.0**	718.0	1,577.0
70900	Management of server capacity (Windows, Inter, SQL Server)	406.0	406.0	406.0	**1,218.0**	-	1,218.0
68063	Management of incidents and services	265.0	452.0	-	**717.0**	-	717.0
69201	Harmonization of applications, data and geomatics technologies	792.0	1,053.0	-	**1,845.0**	-	1,845.0
40501	Havre de Montréal - Redevelopment autoroute Bonaventure	5,560.0	1,000.0	-	**6,560.0**	-	6,560.0
68250	Introduction of a central time management system (KRONOS)	2,189.0	-	-	**2,189.0**	-	2,189.0
68135	Introduction of an online test management system - project	77.0	-	-	**77.0**	-	77.0
68271	Introduction of a lockout management system	484.0	-	-	**484.0**	-	484.0
66190	Le Plateau-Mont-Royal service yard	130.0	-	-	**130.0**	-	130.0
72500	Introduction of the RFID technology at libraries	1,000.0	4,011.0	2,704.0	**7,715.0**	-	7,715.0
28020	Computerization of management for capital works projects	404.0	412.0	420.0	**1,236.0**	1,236.0	2,472.0
39720	Montreal Jewish General Hospital - infrastructures	400.0	2,600.0	-	**3,000.0**	-	3,000.0
35091	Île-des-Soeurs - infrastructures	5,499.0	451.0	-	**5,950.0**	-	5,950.0
41501	Technopôle Angus - infrastructures	1,879.0	-	-	**1,879.0**	-	1,879.0
40600	L'Acadie-Chabanel - Infrastructures and development	506.0	3,000.0	-	**3,506.0**	-	3,506.0
40303	Rosemont site workshops - infrastructures for private development	416.0	-	-	**416.0**	-	416.0
55813	Installation of urban furniture - signage and decorative items	50.0	-	-	**50.0**	-	50.0
36206	Installation of new public artworks	515.0	1,030.0	546.0	**2,091.0**	120.0	2,211.0
68850	Inventory of GHG emissions at buildings and municipal facilities	47.0	-	-	**47.0**	-	47.0
28010	Rolling stock and equipment - purchase	179.0	182.0	186.0	**547.0**	547.0	1,094.0
34712	Projects to upgrade embankments	60.0	-	-	**60.0**	-	60.0
30056	Enhancement of the old section of Pointe-aux-Trembles	-	1,500.0	-	**1,500.0**	-	1,500.0
76000	Modernization of Notre-Dame street	3,020.0	7,107.0	30,100.0	**40,227.0**	-	40,227.0
37004	Nature Museums - infrastructure development	3,281.0	4,450.0	19,400.0	**27,131.0**	-	27,131.0
37006	Montréal Nature Museums - development projets	1,500.0	7,500.0	9,126.0	**18,126.0**	-	18,126.0
40153	Namur and Jean-Talon West - urban requalification	2,000.0	6,000.0	7,000.0	**15,000.0**	14,000.0	29,000.0
68120	New Web platform (CMS) P2010-09 e-Cité - corporate portal	-	-	2,810.0	**2,810.0**	9,912.0	12,722.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
34715	Pedestrian passageway at Souligny	50.0	-	-	**50.0**	-	50.0
39850	Pierrefonds West - development of the l'Anse-à-l'Orme area	269.0	432.0	5,694.0	**6,395.0**	8,562.0	14,957.0
36175	Pointe-à-Callière - development project	1,200.0	1,200.0	-	**2,400.0**	-	2,400.0
36170	Pointe-à-Callière - new exhibitions	850.0	300.0	-	**1,150.0**	-	1,150.0
40161	Frontenac pole of attraction - development of public property	1,232.0	8,037.0	1,938.0	**11,207.0**	-	11,207.0
68091	Online applications - external element: Oracle functions	242.0	-	-	**242.0**	-	242.0
66130	Building accessibility program	1,941.0	1,798.0	1,816.0	**5,555.0**	-	5,555.0
66050	Program to acquire computer equipment	85.0	135.0	75.0	**295.0**	70.0	365.0
58002	Program to acquire lighting equipment	3,800.0	1,500.0	1,500.0	**6,800.0**	-	6,800.0
68721	Program to acquire urban furniture	135.0	185.0	85.0	**405.0**	-	405.0
68115	Program to acquire small equipment	55.0	30.0	30.0	**115.0**	-	115.0
68709	Program to acquire small equipment	52.0	93.0	125.0	**270.0**	-	270.0
68723	Program to acquire small equipment	200.0	20.0	20.0	**240.0**	-	240.0
31500	Program to improve the municipal body	4,040.0	-	5,697.0	**9,737.0**	-	9,737.0
34100	Program to upgrade playgrounds	195.0	200.0	125.0	**520.0**	-	520.0
34123	Program to upgrade playgrounds	810.0	450.0	615.0	**1,875.0**	-	1,875.0
34512	Program to upgrade playgrounds	313.0	421.0	-	**734.0**	-	734.0
34614	Program to upgrade playgrounds	670.0	375.0	1,800.0	**2,845.0**	-	2,845.0
34315	Program to improve park development (PAAP)	18,303.0	19,694.0	1,150.0	**39,147.0**	-	39,147.0
34019	Program to improve outdoor sports facilities	50.0	130.0	100.0	**280.0**	-	280.0
34009	Program to improve ball fields	205.0	150.0	155.0	**510.0**	-	510.0
32019	Program to relandscape parks	70.0	-	-	**70.0**	-	70.0
76002	Program to develop snow disposal sites	7,672.0	7,500.0	7,500.0	**22,672.0**	19,728.0	42,400.0
59055	Program to ease traffic	200.0	200.0	200.0	**600.0**	-	600.0
66150	Program to remove and replace oil tanks	191.0	191.0	191.0	**573.0**	-	573.0
55709	Program to install lighting equipment	200.0	100.0	100.0	**400.0**	-	400.0
57022	Program to install lighting equipment	45.0	45.0	45.0	**135.0**	-	135.0
57023	Program to install lighting equipment	159.0	150.0	150.0	**459.0**	-	459.0
30920	Strategic investment program - municipal land and buildings	3,400.0	2,550.0	3,960.0	**9,910.0**	77,412.0	87,322.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
40130	Infrastructure program for real estate development	5,130.0	11.0	-	**5,141.0**	-	5,141.0
30013	Program to build or expand cultural or community buildings and/or librairies	723.0	3,200.0	-	**3,923.0**	-	3,923.0
69097	Program to build and modify underground conduits	57,210.0	58,160.0	55,000.0	**170,370.0**	-	170,370.0
55913	Soil decontamination program	120.0	88.0	-	**208.0**	-	208.0
25850	Development program - project office	750.0	584.0	150.0	**1,484.0**	-	1,484.0
38370	Program to develop sports facilities	5,835.0	8,435.0	18,829.0	**33,099.0**	9,406.0	42,505.0
68606	Computerization development program	50.0	50.0	50.0	**150.0**	-	150.0
40004	Program to acquire sports facilities	2,500.0	-	-	**2,500.0**	-	2,500.0
40005	Program to acquire sports, community and cultural facilities	400.0	925.0	-	**1,325.0**	-	1,325.0
68053	Program to manage computer obsolescence	50.0	50.0	50.0	**150.0**	-	150.0
68056	Program to manage computer obsolescence	80.0	80.0	80.0	**240.0**	-	240.0
68070	Program to manage computer obsolescence	10.0	10.0	10.0	**30.0**	-	30.0
68073	Program to manage computer obsolescence	25.0	-	-	**25.0**	-	25.0
68078	Program to manage computer obsolescence	100.0	100.0	100.0	**300.0**	-	300.0
68160	Program to manage computer obsolescence	150.0	150.0	100.0	**400.0**	-	400.0
68517	Program to manage computer obsolescence	100.0	-	-	**100.0**	-	100.0
68052	Program to manage obsolete computers, purchase small equipment and office furniture	150.0	105.0	105.0	**360.0**	-	360.0
36307	Program to upgrade commemorative plaques and monuments	55.0	55.0	55.0	**165.0**	-	165.0
55037	Program to upgrade traffic lights	-	1,000.0	1,000.0	**2,000.0**	-	2,000.0
59509	Program to upgrade traffic lights	75.0	75.0	75.0	**225.0**	-	225.0
45509	Program to extend the bicycle path network	50.0	50.0	-	**100.0**	-	100.0
42305	Program to protect buildings	2,475.0	1,700.0	1,450.0	**5,625.0**	-	5,625.0
66055	Program to protect buildings	8,620.0	1,300.0	932.0	**10,852.0**	-	10,852.0
66056	Program to protect buildings	1,200.0	1,200.0	1,200.0	**3,600.0**	-	3,600.0
66180	Program to protect buildings	455.0	-	2.0	**457.0**	1,378.0	1,835.0
66519	Program to protect buildings	339.0	25.0	30.0	**394.0**	-	394.0
66553	Program to protect buildings	628.0	728.0	728.0	**2,084.0**	-	2,084.0
30089	Program to preserve administration building	2,300.0	1,275.0	1,219.0	**4,794.0**	-	4,794.0
66030	Program to preserve administration buildings	2,633.0	3,248.0	2,906.0	**8,787.0**	1,434.0	10,221.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
66040	Program to preserve administration buildings	480.0	505.0	300.0	**1,285.0**	-	1,285.0
66509	Program to preserve administration buildings	110.0	410.0	-	**520.0**	-	520.0
66513	Program to preserve administration buildings	4,305.0	240.0	200.0	**4,745.0**	-	4,745.0
66612	Program to preserve administration buildings	120.0	140.0	160.0	**420.0**	-	420.0
38009	Program to preserve cultural buildings	579.0	120.0	120.0	**819.0**	-	819.0
66460	Program to preserve industrial buildings	4,134.0	6,964.0	1,741.0	**12,839.0**	478.0	13,317.0
42303	Program to preserve sports buildings	3,427.0	2,314.0	3,421.0	**9,162.0**	-	9,162.0
42304	Program to preserve sports buildings	1,306.0	7,076.0	3,798.0	**12,180.0**	-	12,180.0
42306	Program to preserve sports buildings	2,153.0	1,041.0	770.0	**3,964.0**	-	3,964.0
42307	Program to preserve sports buildings	-	100.0	2.0	**102.0**	3,958.0	4,060.0
42316	Program to preserve sports buildings	700.0	400.0	-	**1,100.0**	-	1,100.0
42509	Program to preserve sports buildings	25.0	440.0	40.0	**505.0**	-	505.0
42512	Program to preserve sports buildings	100.0	2,000.0	-	**2,100.0**	-	2,100.0
42514	Program to protect recreation and community centres	660.0	2,990.0	1,500.0	**5,150.0**	-	5,150.0
66170	Program to protect service yards	717.0	44.0	-	**761.0**	-	761.0
66167	Program to preserve electromechanical systems	2,808.0	2,282.0	636.0	**5,726.0**	1,529.0	7,255.0
34300	Program to develop large parks	1,629.0	2,129.0	6,660.0	**10,418.0**	-	10,418.0
34222	Program to relandscape parks	750.0	500.0	-	**1,250.0**	-	1,250.0
32515	Program to relandscape older parks	2,021.0	1,324.0	560.0	**3,905.0**	5,211.0	9,116.0
32517	Program to relandscape older parks	500.0	-	-	**500.0**	-	500.0
34210	Program to relandscape older parks	1,400.0	1,000.0	150.0	**2,550.0**	-	2,550.0
34219	Program to relandscape older parks	840.0	325.0	400.0	**1,565.0**	-	1,565.0
34220	Program to relandscape older parks	1,152.0	550.0	550.0	**2,252.0**	-	2,252.0
34221	Program to relandscape older parks	1,085.0	1,000.0	1,100.0	**3,185.0**	-	3,185.0
34223	Program to relandscape older parks	1,360.0	280.0	280.0	**1,920.0**	-	1,920.0
34224	Program to relandscape older parks	1,338.0	900.0	900.0	**3,138.0**	-	3,138.0
34225	Program to relandscape older parks	200.0	-	-	**200.0**	-	200.0
34226	Program to relandscape older parks	500.0	500.0	500.0	**1,500.0**	-	1,500.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
34506	Program to relandscape older parks	310.0	460.0	285.0	**1,055.0**	-	1,055.0
34513	Program to relandscape older parks	-	840.0	200.0	**1,040.0**	-	1,040.0
34612	Program to relandscape older parks	47.0	47.0	47.0	**141.0**	-	141.0
34616	Program to relandscape older parks	1,000.0	1,000.0	1,000.0	**3,000.0**	-	3,000.0
34909	Program to relandscape older parks	175.0	175.0	125.0	**475.0**	-	475.0
55892	Program to rebuild streets	3,425.0	2,070.0	1,750.0	**7,245.0**	-	7,245.0
50020	Program to redevelop infrastructures	660.0	1,000.0	-	**1,660.0**	5,500.0	7,160.0
34129	Program to redevelop soccer fields	-	500.0	-	**500.0**	-	500.0
34126	Program to redevelop soccer fields and tennis courts	175.0	-	-	**175.0**	-	175.0
34250	Program to redevelop parc du Mont-Royal	-	175.0	500.0	**675.0**	-	675.0
59009	Geometric development program – arterial network	2,900.0	2,900.0	2,900.0	**8,700.0**	-	8,700.0
55830	Program to repair arterial streets	4,193.0	-	-	**4,193.0**	-	4,193.0
55845	Program to repair arterial streets	37,967.0	46,110.0	46,757.0	**130,834.0**	-	130,834.0
67509	Program to rebuild building envelopes	676.0	456.0	2,465.0	**3,597.0**	-	3,597.0
67851	Program to rebuild building envelopes	-	-	900.0	**900.0**	-	900.0
67852	Program to rebuild building envelopes	-	240.0	-	**240.0**	-	240.0
56700	Program to rebuild buildings	500.0	500.0	2,500.0	**3,500.0**	-	3,500.0
44506	Program to rebuild administration buildings	205.0	100.0	100.0	**405.0**	-	405.0
42211	Program to repair buildings at large parks	1,171.0	2,198.0	96.0	**3,465.0**	-	3,465.0
42517	Program to rebuild sports and community buildings	5,275.0	-	-	**5,275.0**	-	5,275.0
42202	Program to rebuild recreational and community centres	604.0	145.0	700.0	**1,449.0**	-	1,449.0
42506	Program to rebuild recreational and community centres	270.0	-	-	**270.0**	-	270.0
42612	Program to rebuild recreational and community centres	595.0	-	-	**595.0**	-	595.0
44716	Program to rebuild the stairway of the Isabey – 1 pedestrian passageway, above autoroute Côte-de-Liesse	250.0	-	-	**250.0**	-	250.0
55860	Program to rebuild arterial streets - local network	488.0	-	-	**488.0**	-	488.0
46000	Program to rebuild road structures	12,308.0	17,887.0	10,383.0	**40,578.0**	-	40,578.0
46006	Program to repair road structures in association with the ministère des Transports du Québec	8,726.0	4,728.0	2,650.0	**16,104.0**	-	16,104.0
28004	Program to repair and redevelop commercial arteries	50.0	-	-	**50.0**	600.0	650.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
55510	Road repair program	265.0	2,371.0	1,485.0	**4,121.0**	-	4,121.0
55700	Road repair program	1,382.0	2,382.0	1,532.0	**5,296.0**	-	5,296.0
55705	Road repair program	1,180.0	1,000.0	1,700.0	**3,880.0**	-	3,880.0
55706	Road repair program	1,535.0	1,635.0	735.0	**3,905.0**	-	3,905.0
55713	Road repair program	300.0	1,869.0	550.0	**2,719.0**	-	2,719.0
55714	Road repair program	2,546.0	3,105.0	1,410.0	**7,061.0**	-	7,061.0
55716	Road repair program	1,700.0	1,700.0	1,700.0	**5,100.0**	-	5,100.0
55717	Road repair program	1,000.0	100.0	87.0	**1,187.0**	-	1,187.0
55718	Road repair program	2,890.0	2,400.0	2,000.0	**7,290.0**	-	7,290.0
55719	Road repair program	1,772.0	1,265.0	1,105.0	**4,142.0**	-	4,142.0
55729	Road repair program	2,170.0	1,000.0	850.0	**4,020.0**	-	4,020.0
55730	Road repair program	3,000.0	3,000.0	3,000.0	**9,000.0**	-	9,000.0
55731	Road repair program	600.0	-	-	**600.0**	-	600.0
55732	Road repair program	2,105.0	2,679.0	3,000.0	**7,784.0**	-	7,784.0
55733	Road repair program	2,000.0	1,990.0	2,100.0	**6,090.0**	-	6,090.0
55734	Road repair program	1,750.0	2,000.0	2,000.0	**5,750.0**	-	5,750.0
55735	Road repair program	1,800.0	1,140.0	-	**2,940.0**	-	2,940.0
55736	Road repair program	1,941.0	1,325.0	1,200.0	**4,466.0**	-	4,466.0
55737	Road repair program	700.0	700.0	700.0	**2,100.0**	-	2,100.0
50040	Program to rehabilitate the Pointe-Saint-Charles business park	1,000.0	4,000.0	4,000.0	**9,000.0**	11,000.0	20,000.0
34314	Program to replace park equipment	50.0	170.0	200.0	**420.0**	-	420.0
34319	Program to replace park equipment	-	270.0	-	**270.0**	-	270.0
68022	Program to replace motorized equipment	1,190.0	1,000.0	-	**2,190.0**	-	2,190.0
44715	Program to replace lighting equipment	100.0	100.0	-	**200.0**	-	200.0
57100	Program to replace urban furniture	150.0	150.0	-	**300.0**	-	300.0
57105	Program to replace urban furniture	181.0	190.0	80.0	**451.0**	-	451.0
20910	Vehicle replacement program	350.0	350.0	-	**700.0**	-	700.0
36410	Vehicle replacement program	300.0	300.0	300.0	**900.0**	-	900.0
68005	Vehicle replacement program	145.0	145.0	193.0	**483.0**	-	483.0
68013	Vehicle replacement program	1,040.0	530.0	350.0	**1,920.0**	-	1,920.0
68015	Vehicle replacement program	1,580.0	1,000.0	1,229.0	**3,809.0**	-	3,809.0
68016	Vehicle replacement program	400.0	400.0	400.0	**1,200.0**	-	1,200.0
68017	Vehicle replacement program	500.0	-	-	**500.0**	-	500.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
68018	Vehicle replacement program	1,500.0	1,000.0	750.0	**3,250.0**	-	3,250.0
68019	Vehicle replacement program	500.0	-	-	**500.0**	-	500.0
68020	Vehicle replacement program	700.0	702.0	700.0	**2,102.0**	-	2,102.0
68021	Vehicle replacement program	1,050.0	1,000.0	1,000.0	**3,050.0**	-	3,050.0
68023	Vehicle replacement program	1,100.0	200.0	200.0	**1,500.0**	-	1,500.0
68024	Vehicle replacement program	750.0	750.0	750.0	**2,250.0**	-	2,250.0
68025	Vehicle replacement program	1,524.0	1,615.0	1,615.0	**4,754.0**	-	4,754.0
68026	Vehicle replacement program	775.0	522.0	500.0	**1,797.0**	-	1,797.0
68027	Vehicle replacement program	1,009.0	1,009.0	1,109.0	**3,127.0**	-	3,127.0
68099	Vehicle replacement program	581.0	727.0	727.0	**2,035.0**	-	2,035.0
68506	Vehicle replacement program	465.0	217.0	-	**682.0**	-	682.0
68512	Vehicle replacement program	759.0	759.0	759.0	**2,277.0**	-	2,277.0
68609	Vehicle replacement program	515.0	625.0	-	**1,140.0**	-	1,140.0
71076	Vehicle replacement program	133.0	133.0	132.0	**398.0**	-	398.0
68514	Program to replace vehicles and equipment	730.0	100.0	400.0	**1,230.0**	-	1,230.0
68097	Program to replace the computerized fuel system	398.0	-	-	**398.0**	-	398.0
11010	Program to rehabilitate water supply and sewage systems	110,183.0	117,187.0	119,696.0	**347,066.0**	-	347,066.0
36610	Program to renovate, extend and build libraries	18,443.0	18,422.0	18,400.0	**55,265.0**	-	55,265.0
55744	Program for minor sidewalk repairs (2012)	-	500.0	500.0	**1,000.0**	-	1,000.0
54100	Transport system program using new technologies	1,400.0	1,210.0	1,400.0	**4,010.0**	-	4,010.0
16004	Infrastructure repair program – new residential areas	625.0	-	-	**625.0**	-	625.0
38360	Program for arenas	13,426.0	11,313.0	12,400.0	**37,139.0**	14,100.0	51,239.0
68110	Upgrading of telephone and telecommunications systems	2,776.0	821.0	-	**3,597.0**	-	3,597.0
55841	Connection of boulevards Cavendish and Henri-Bourassa	2,100.0	-	-	**2,100.0**	-	2,100.0
75005	Completion of the East train	13,300.0	6,700.0	9,900.0	**29,900.0**	-	29,900.0
75013	Rehabilitation of the Pie-IX–Henri-Bourassa Interchange	2,235.0	13,005.0	13,005.0	**28,245.0**	-	28,245.0
39860	Rehabilitation of the Sherbrooke-East area - Phase 1	3,000.0	300.0	300.0	**3,600.0**	-	3,600.0
40146	Contrecoeur site - Infrastructures and development	4,086.0	5,236.0	-	**9,322.0**	-	9,322.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand total
68034	Rehabilitation and upgrading to standards of the server room	309.0	-	-	**309.0**	-	309.0
70010	Rewriting of the energy management application	-	-	43.0	**43.0**	43.0	86.0
30083	Rehabilitation of commercial thoroughfares	100.0	100.0	-	**200.0**	-	200.0
66240	Relocation of technical support activities - Viau-de Rouen complex	48.0	96.0	287.0	**431.0**	-	431.0
63510	Relocation of Chénier school classrooms	3,000.0	479.0	678.0	**4,157.0**	-	4,157.0
68050	Program to manage computer obsolescence	-	1,452.0	1,030.0	**2,482.0**	1,986.0	4,468.0
42712	Renovation of heritage municipal buildings	178.0	-	-	**178.0**	-	178.0
66670	Renovation of the municipal court building	1,078.0	2,672.0	2,676.0	**6,426.0**	1,434.0	7,860.0
42290	Renovation of the Complexe sportif Claude-Robillard	1,210.0	1,022.0	2,294.0	**4,526.0**	1,242.0	5,768.0
39601	Restoration of public art	390.0	444.0	488.0	**1,322.0**	-	1,322.0
39701	Restoration of public artwork - furniture and identification	155.0	85.0	85.0	**325.0**	-	325.0
70600	Review of password management	-	-	412.0	**412.0**	-	412.0
40157	Revitalization and infrastructure – Lachine East	500.0	5,000.0	5,000.0	**10,500.0**	55,000.0	65,500.0
40150	Saint-Viateur East - revitalization of area	1,515.0	1,183.0	-	**2,698.0**	-	2,698.0
59018	Safety of arterial network	2,500.0	4,600.0	4,600.0	**11,700.0**	-	11,700.0
68270	SGSST - SIGMA-Prevention	235.0	-	-	**235.0**	-	235.0
31211	Development support for the area surrounding the Lachine Canal	2,000.0	-	-	**2,000.0**	-	2,000.0
73100	Budget system	1,455.0	2,968.0	3,314.0	**7,737.0**	-	7,737.0
70017	System to measure transported and disposed snow	-	-	2,384.0	**2,384.0**	4,562.0	6,946.0
68139	Follow-up system for housing assistance applications (SDSR)	452.0	-	-	**452.0**	-	452.0
68400	Computer system for managing pension funds	950.0	876.0	207.0	**2,033.0**	-	2,033.0
30910	Repairs to improve rental buildings	642.0	143.0	-	**785.0**	-	785.0
37000	Nature Museums – capital works projects	6,750.0	6,830.0	8,450.0	**22,030.0**	-	22,030.0
39705	MUHC, Glen Yards - infrastructure	17,366.0	31,309.0	6,779.0	**55,454.0**	-	55,454.0
59002	Program for traffic lights and overhead lighting	4,133.0	6,907.0	6,813.0	**17,853.0**	-	17,853.0
34311	Minor repairs at large parks and nature parks	368.0	1,632.0	700.0	**2,700.0**	-	2,700.0
Total		606,666.0	686,494.0	617,407.0	**1,910,567.0**	364,774.0	2,275,341.0

DETAILS OF INVESTMENT EXPENDITURE BY PROJECT OF THE URBAN AGGLOMERATION BUDGET

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand Total
70009	Acquisition of an inventory software package - East, West regions and security	-	-	75.0	**75.0**	-	75.0
68031	Acquisition and installation of computer and electronic equipment	575.0	325.0	250.0	**1,150.0**	1,750.0	2,900.0
75002	Access to the Montréal-Trudeau Airport	10,000.0	6,000.0	5,000.0	**21,000.0**	-	21,000.0
59004	Development of public roads	270.0	270.0	100.0	**640.0**	-	640.0
40162	Development of public property - Cabot square	655.0	634.0	4,214.0	**5,503.0**	-	5,503.0
36200	Development of the Old Montréal public domain	16,312.0	16,440.0	10,000.0	**42,752.0**	87,000.0	129,752.0
32126	Landscaping surroundings - Complexe environnemental de Saint-Michel	745.0	2,648.0	8,081.0	**11,474.0**	-	11,474.0
68093	Procurement II	1,222.0	2,133.0	482.0	**3,837.0**	-	3,837.0
68312	Two-factor authentication (A2F)	387.0	330.0	133.0	**850.0**	-	850.0
70862	Data base - active transportation	-	-	177.0	**177.0**	-	177.0
40136	Nouveau Havre basins - infrastructure and development	2,513.0	5,174.0	3,181.0	**10,868.0**	3,699.0	14,567.0
39781	CHUM - infrastructure	610.0	6,853.0	-	**7,463.0**	23,983.0	31,446.0
39012	Pneumatic waste collection - Quartier des spectacles area	2,225.0	-	3,372.0	**5,597.0**	-	5,597.0
38800	Posting columns	375.0	-	-	**375.0**	-	375.0
56094	Construction of water mains - Lachine regional network	54.0	1,554.0	3,054.0	**4,662.0**	38,254.0	42,916.0
56092	Construction of water mains - Pierrefonds regional network	1,554.0	11,104.0	8,474.0	**21,132.0**	200.0	21,332.0
56093	Construction of water mains - Sainte-Anne-de-Bellevue regional network	2,153.0	2,404.0	54.0	**4,611.0**	-	4,611.0
56090	Construction of water mains - Dorval and Pointe-Claire regional network	900.0	-	-	**900.0**	-	900.0
50010	Construction and repair of solid waste management infrastructures	10,956.0	51,652.0	27,646.0	**90,254.0**	50,189.0	140,443.0
56550	MUHC - replacement of the Décarie collector	1,586.0	-	-	**1,586.0**	-	1,586.0
56530	Disinfection of wastewater	7,085.0	16,800.0	71,350.0	**95,235.0**	104,220.0	199,455.0
48007	Infrastructures – development of social and community housing	3,681.0	3,762.0	4,980.0	**12,423.0**	23,629.0	36,052.0
48008	Additional projects – development of social and community housing	-	200.0	200.0	**400.0**	1,400.0	1,800.0
45000	Development of the bicycle-path network	9,001.0	8,999.0	9,000.0	**27,000.0**	-	27,000.0
70300	Management of processing capacity of the Unix-Oracle servers	-	530.0	381.0	**911.0**	762.0	1,673.0
70800	Management of server capacity (Windows, Inter. SQL Server)	431.0	431.0	431.0	**1,293.0**	-	1,293.0
68063	Management of incidents and services	282.0	479.0	-	**761.0**	-	761.0
69201	Harmonization of applications, data and geomatics technologies	236.0	315.0	-	**551.0**	-	551.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand Total
40501	Havre de Montréal - Redevelopment autoroute Bonaventure	21,714.0	42,722.0	47,520.0	**111,956.0**	26,080.0	138,036.0
75008	Introduction of a tramway system	9,105.0	54,005.0	80,305.0	**143,415.0**	-	143,415.0
68250	Introduction of a central time management system (Kronos)	2,324.0	-	-	**2,324.0**	-	2,324.0
69250	Introduction of a satellite positioning system for police officers	120.0	174.0	-	**294.0**	-	294.0
68135	Introduction of an online test management system - project	81.0	-	-	**81.0**	-	81.0
68271	Introduction of a lockout management system	514.0	-	-	**514.0**	-	514.0
75014	Introduction of preferential measures for buses	300.0	300.0	300.0	**900.0**	-	900.0
75007	Introduction of reserved lanes for buses – boulevard Pie-IX	1,500.0	71,800.0	71,000.0	**144,300.0**	-	144,300.0
72400	Introduction of the SICMA hearing management system – Phase 2	-	-	319.0	**319.0**	1,214.0	1,533.0
28020	Computerization of management for capital works projects	176.0	180.0	184.0	**540.0**	540.0	1,080.0
40132	École de technologie supérieure (ETS) - Infrastructures	847.0	-	-	**847.0**	-	847.0
40134	Infrastructures and development - Griffintown	7,202.0	6,328.0	1,376.0	**14,906.0**	14,575.0	29,481.0
68850	Inventory of GHG emissions at buildings and municipal facilities	49.0	-	-	**49.0**	-	49.0
28010	Rolling stock and equipment - purchase	116.0	119.0	121.0	**356.0**	356.0	712.0
59012	Measures to improve bus traffic - RPM	350.0	650.0	150.0	**1,150.0**	-	1,150.0
58026	Upgrading of drinking water treatment plants	24,403.0	27,336.0	24,231.0	**75,970.0**	151,705.0	227,675.0
70038	Upgrading of the Court Web software package for recording hearings	-	-	215.0	**215.0**	-	215.0
56528	Upgrading of water treatment plant and net	749.0	8,080.0	650.0	**9,479.0**	18,150.0	27,629.0
58028	Upgrading of drinking water production buildings	7,231.0	16,766.0	15,846.0	**39,843.0**	32,051.0	71,894.0
58025	Upgrading of water treatment processes	111,000.0	36,187.0	2,067.0	**149,254.0**	-	149,254.0
58018	Upgrading of water treatment plants	-	-	-	-	-	-
56097	Introduction of water meters - industrial, commercial and institutional	1,816.0	1,766.0	3,723.0	**7,305.0**	11,545.0	18,850.0
56197	Introduction of water meters - industrial, commercial and institutional	-	-	-	-	28,130.0	28,130.0
36300	Enhancement of heritage buildings	5,000.0	20,000.0	20,000.0	**45,000.0**	140,000.0	185,000.0
35020	Enhancement of boulevard De Maisonneuve	53.0	6,964.0	11,864.0	**18,881.0**	12,000.0	30,881.0
36000	Enhancement of Mount Royal - Road network repair	3,865.0	2,227.0	3,100.0	**9,192.0**	35,000.0	44,192.0
71800	Modernization of assessment records. Re-engineering of the economic data collection and income property assessment unit	1,485.0	1,437.0	-	**2,922.0**	-	2,922.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand Total
70021	Modernization of video recording systems at operations centres	-	-	1,503.0	**1,503.0**	112.0	1,615.0
68280	Modernization of computer systems at the SIM (026) - Project 48, PTV replacement	1,067.0	-	-	**1,067.0**	-	1,067.0
71400	Revamping of the property assessment Web site (consultation of the property roll)	-	-	568.0	**568.0**	702.0	1,270.0
35052	Museum of Fine Arts – improvement of public property	3,883.0	-	-	**3,883.0**	-	3,883.0
68091	Online applications - external element: Oracle functions	258.0	-	-	**258.0**	-	258.0
68230	Continuation of the M-IRIS system implementation	3,065.0	1,502.0	652.0	**5,219.0**	-	5,219.0
74000	LIMS-type software package - additional users for food analysis and the Des Baillets laboratory	264.0	53.0	-	**317.0**	-	317.0
66130	Building accessibility program	200.0	200.0	200.0	**600.0**	-	600.0
66050	Program to acquire computer equipment	25.0	25.0	25.0	**75.0**	-	75.0
31500	Program to improve the municipal body	5,000.0	-	5,000.0	**10,000.0**	-	10,000.0
34315	Program to improve park development (PAAP)	2,695.0	645.0	700.0	**4,040.0**	-	4,040.0
57022	Programme to install lighting furniture	100.0	-	-	**100.0**	-	100.0
40130	Infrastructure program required for real estate development	4,870.0	9,989.0	10,000.0	**24,859.0**	38,000.0	62,859.0
64020	Development program – Police department buildings	582.0	28.0	-	**610.0**	-	610.0
56529	Program to bring station infrastructures and equipment up to standard	11,953.0	11,400.0	5,445.0	**28,798.0**	78,015.0	106,813.0
64021	Protection program – Police department buildings	1,410.0	26.0	-	**1,436.0**	-	1,436.0
43010	Program to preserve assets – Parc Jean-Drapeau	14,536.0	10,000.0	10,000.0	**34,536.0**	-	34,536.0
66030	Program to preserve administration buildings	2,833.0	4,510.0	9,565.0	**16,908.0**	46,830.0	63,738.0
38009	Program to preserve cultural buildings	92.0	-	-	**92.0**	-	92.0
66460	Program to preserve industrial buildings	4,191.0	2,674.0	1,888.0	**8,753.0**	669.0	9,422.0
62470	Program to preserve fire stations and administration buildings	6,981.0	7,007.0	6,736.0	**20,724.0**	-	20,724.0
66167	Program to preserve electromechanical systems	1,307.0	1,173.0	230.0	**2,710.0**	430.0	3,140.0
34220	Program to relandscape older parks	900.0	550.0	550.0	**2,000.0**	-	2,000.0
34310	Program to redevelop nature parks	1,242.0	2,881.0	5,246.0	**9,369.0**	-	9,369.0
34250	Program to redevelop parc du Mont-Royal	4,694.0	14,414.0	13,701.0	**32,809.0**	-	32,809.0
59009	Geometric development program – arterial network	600.0	600.0	600.0	**1,800.0**	-	1,800.0
55830	Program to repair arterial streets	1,457.0	-	-	**1,457.0**	-	1,457.0
55845	Program to repair arterial streets	1,878.0	2,425.0	2,460.0	**6,763.0**	-	6,763.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand Total
67850	Program to rebuild building envelopes	439.0	439.0	-	**878.0**	-	878.0
42211	Program to repair buildings at large parks	292.0	-	-	**292.0**	-	292.0
55880	Program to repair downtown streets	1,098.0	-	-	**1,098.0**	-	1,098.0
46000	Program to rebuild road structures	6,384.0	1,803.0	1,157.0	**9,344.0**	-	9,344.0
46006	Program to repair road structures in association with the ministère des Transports du Québec	2,330.0	5,070.0	15,310.0	**22,710.0**	-	22,710.0
55737	Road repair program	855.0	855.0	855.0	**2,565.0**	-	2,565.0
56088	Program to rehabilitate water mains	23,846.0	49,509.0	24,561.0	**97,916.0**	183,650.0	281,566.0
56098	Program to rehabilitate water mains - valves and components	350.0	350.0	350.0	**1,050.0**	6,750.0	7,800.0
58027	Rehabilitation program for reservoirs and pumping stations	5,900.0	12,032.0	6,680.0	**24,612.0**	136,529.0	161,141.0
20910	Vehicle replacement program	350.0	350.0	-	**700.0**	-	700.0
58048	Vehicle replacement program	200.0	100.0	100.0	**400.0**	815.0	1,215.0
68099	Vehicle replacement program	618.0	773.0	773.0	**2,164.0**	-	2,164.0
71076	Vehicle replacement program	3,373.0	3,390.0	3,254.0	**10,017.0**	-	10,017.0
71080	Vehicle replacement program	7,053.0	7,092.0	6,817.0	**20,962.0**	-	20,962.0
68097	Program to replace the computerized fuel system	65.0	-	-	**65.0**	-	65.0
11010	Program to rehabilitate water supply and sewage systems	17,100.0	15,636.0	21,527.0	**54,263.0**	-	54,263.0
53010	Program for the major repair of sewer and main sewer systems	29,979.0	72,187.0	75,919.0	**178,085.0**	211,434.0	389,519.0
54100	Transport system program using new technologies	100.0	890.0	1,000.0	**1,990.0**	-	1,990.0
68110	Upgrading of telephone and telecommunications systems	2,948.0	872.0	-	**3,820.0**	-	3,820.0
77007	Projects dedicated to green spaces	12,000.0	12,000.0	12,000.0	**36,000.0**	-	36,000.0
40163	Chinatown - development of public property	4,643.0	559.0	-	**5,202.0**	-	5,202.0
35010	Quartier des spectacles - additional projects	907.0	700.0	-	**1,607.0**	-	1,607.0
35011	Quartier des spectacles - redevelopment of the Place des Arts area	35,165.0	14,108.0	-	**49,273.0**	-	49,273.0
39860	Rehabilitation of the Sherbrooke-East area - Phase 1	4,200.0	19,200.0	1,700.0	**25,100.0**	9,000.0	34,100.0
36201	Redevelopment of square Dorchester and Place du Canada	6,619.0	6,467.0	12,000.0	**25,086.0**	84,000.0	109,086.0
68034	Rehabilitation and upgrading to standards of the server room	329.0	-	-	**329.0**	-	329.0
70010	Rewriting of the energy management application	-	-	46.0	**46.0**	45.0	91.0
59023	Rebuilding the Décarie-A-40 Interchange	2,025.0	1,525.0	-	**3,550.0**	-	3,550.0

Investment by project and program

(in thousands of dollars)

Number	Project	2011	2012	2013	TCWP Total	Ulterior	Grand Total
68131	Re-engineering of the park management computer system (SIGP)	-	-	528.0	**528.0**	-	528.0
66240	Relocation of technical support activities - Viau-de Rouen complex	200.0	143.0	334.0	**677.0**	-	677.0
68050	Program to manage computer obsolescence	-	1,542.0	1,093.0	**2,635.0**	2,108.0	4,743.0
68290	Replacement of mobile work stations at the SPVM	1,445.0	1,227.0	-	**2,672.0**	-	2,672.0
66670	Renovation of the municipal court building	2,548.0	3,836.0	8,050.0	**14,434.0**	2,867.0	17,301.0
39601	Restoration of public art	70.0	30.0	-	**100.0**	-	100.0
70600	Review of password management	-	-	438.0	**438.0**	-	438.0
68033	Risk-coverage plan (integrated management of prevention activities)	840.0	1,286.0	641.0	**2,767.0**	-	2,767.0
59018	Improvement of traffic safety along arteries	900.0	1,800.0	1,800.0	**4,500.0**	-	4,500.0
68270	SGSST - SIGMA-Prevention	250.0	-	-	**250.0**	-	250.0
73100	Budget system	1,545.0	3,152.0	3,519.0	**8,216.0**	-	8,216.0
68240	System to issue computerized notices of infraction - phase 2 (SECI 2)	-	983.0	-	**983.0**	-	983.0
70060	Road structure management system (bridges, tunnels, retaining walls)	-	-	741.0	**741.0**	150.0	891.0
74200	Recognition system for license plates (SRPI)	1,813.0	-	-	**1,813.0**	-	1,813.0
68139	Follow-up system for housing assistance applications (SDSR)	480.0	-	-	**480.0**	-	480.0
71900	File processing and management system - claims office	-	-	833.0	**833.0**	1,070.0	1,903.0
68400	Computer system for managing pension funds	1,009.0	931.0	220.0	**2,160.0**	-	2,160.0
30910	Repairs to improve rental buildings	645.0	143.0	-	**788.0**	-	788.0
39705	MUHC, Glen Yards - infrastructure	2,014.0	-	-	**2,014.0**	-	2,014.0
59002	Program for traffic lights and overhead lighting	1,537.0	1,643.0	337.0	**3,517.0**	-	3,517.0
34311	Minor repairs at large parks and nature parks	600.0	300.0	300.0	**1,200.0**	-	1,200.0
58015	Safety measures to protect electricity flow to water production plants and pumping stations	680.0	700.0	-	**1,380.0**	23,750.0	25,130.0
Total		535,635.0	749,803.0	721,558.0	**2,006,996.0**	1,633,358.0	3,640,354.0

DEBT AND FINANCIAL PORTRAIT

INDEBTEDNESS

The City Administration primarily funds its capital expenditures through long-term debt. The city's debt profile is heavily influenced by projects carried out under past and present three-year capital works (TCWP) budgets.

In special cases, the city may also borrow to finance other kinds of expenditures falling within its areas of authority. This situation arose, for example, in the refinancing of the initial actuarial liability of the former city that began in 2003 and continued in 2004 and 2005. As at December 31, 2009, gross debt issued by the Ville de Montréal thus stood at $6.6 billion. Long-term debt hovers around $5.3 billion, excluding debt issued for refinancing the actuarial liabilities of five of the six retirement plans for employees of the former city.

Debt should stand at $5.5 billion in late 2010, based on expected 2010 investment expenditures, maturing debt and refinancing costs.

Capital expenditures have an impact on the city's indebtedness. They also affect the Operating Budget, not only in terms of operating costs but the cost of debt. Investment levels must accordingly be determined with a constant concern for containing debt and for limiting the impact of debt cost on the city's Operating Budget.

The table on the following page provides a better idea of how debt affects the city's Operating Budget by distinguishing between its gross and net costs. This table also reveals the share of costs now assumed by Montréal urban agglomeration taxpayers.

The $872.1 million earmarked in the 2011 Budget for gross debt service is equivalent to 19.4% of all funding costs and other financial activities. Taxpayers, however, are not responsible for a large share of this expense, which is partially repaid through Government of Québec subsidy programs and fees charged by the Commission des services électriques de Montréal (electrical service commission). Long-term investments are also made, based on the status of accumulated amortization fund reserves, to ensure future debt repayment. These investments generate interest that serves to defray a share of taxpayer cost. Net debt in the 2011 Budget stands at $633.2 million, equivalent to 14% of all operating expenditures and other financial activities.

A share ($107.8 million) of the gross cost of debt is attributable to the refinancing of the initial actuarial liability of five of the six retirement plans for employees of the former city. Since this strategy has enabled the city to repay these retirement plans, it is no longer required to make special contributions to them. Loans were, however, taken out to achieve this goal, thus generating financing costs.

Excluding debt service for refinancing the initial actuarial liability, gross debt service stands at $764.3 million, or 17% of all expenditures and financing. The net cost is $550.2 million, or 12.2% of all expenditures and financing.

From the time the urban agglomeration was established, its taxpayers have been responsible for a portion of the cost of debt. Their contribution for 2011 stands at $231.5 million.

Table 50
2011 Cost of Debt
(in thousands of dollars)

	2010 Restated	Total cost 2011	Refinancing of unfunded actuarial liability 2011	Total cost excluding unfunded actuarial liability 2011
Gross cost of debt				
Interest and other charges	418,764.4	410,835.5	91,902.1	318,933.4
Reimbursement of capital expenditures				-
and contributions to the sinking fund	352,119.5	366,188.8	-	366,188.8
	770,883.9	777,024.3	91,902.1	685,122.2
				-
Allocation to debt repayment	11,448.3	8,971.2	6,500.0	2,471.2
Capital repayement through subsidies	88,942.7	86,081.7	9,395.8	76,685.9
Total gross debt cost	871,274.9	872,077.2	107,797.9	764,279.3
Less:				
Sinking fund investment income	51,174.0	46,808.1	1,676.4	45,131.7
Premium on issue - Deferred and interest revenue	975.3	975.3	975.3	-
Québec government subsidies receivable				-
- for interest portion	70,097.9	67,272.1	12,750.4	54,521.7
- for capital portion	88,942.7	86,081.7	9,395.8	76,685.9
	211,189.9	201,137.2	24,797.9	176,339.3
Less:				
Collection in the form of royalties from underground conduit funds	42,464.1	37,745.7	-	37,745.7
Total net cost of debt charged to taxpayers	617,620.9	633,194.3	83,000.0	550,194.3
Distribution of this charge between taxpayers				
Urban agglomeration taxpayers	**217,295.8**	**231,474.6**	-	**231,474.6**
Ville de Montréal taxpayers	**400,325.1**	**401,719.7**	**83,000.0**	**318,719.7**
Proportion of the debt service costs compared to all operating expenses and other financial activities				
Gross cost of debt	20.2%	19.4%	2.4%	17.0%
Net cost of debt	14.3%	14.0%	1.8%	12.2%

DEBT MANAGEMENT

Montréal's Executive Committee, in its role as administrator of public funds, places great emphasis on sound management of the city's financial resources. Debt is obviously a key factor in this management process. Public debt must be administered judiciously, which means remaining within the ability of taxpayers to pay the net cost of debt, while providing residents with a high quality of service.

In 2005, Moody's Investor Services upgraded the city's credit rating from "A2" to "A1." In 2006, it again upgraded Montréal's credit rating, this time from "A1" to "Aa2," the best rating in Montréal's history. Moody maintained this rating in 2007, 2008, 2009 and 2010. Standard and Poor's has renewed its rating of Montréal as "A+ stable.

As previously mentioned, Montréal borrows to finance most of its investments. Although there is no legal cap on Montréal's level of indebtedness, the city should not acquire excessive debt and must therefore make certain choices. The City Administration has accordingly developed a financial strategy to take this indebtedness into account. The city introduced the resulting debt-management policy in the 2004 Budget.

This debt management policy is designed to:

- Define debt management goals.
- Ensure a more systematic decision-making process.
- Ensure consistent decisions on indebtedness, by introducing discipline and continuity into the decision-making process.
- Provide the city with a framework that will not only maintain, but improve, its financial situation.

Through its debt management policy, the city intends to:

- Manage the city's debt in a responsible and prudent manner, by enacting a formal framework for borrowing rules.
- Adopt practices to reduce the city's high level of indebtedness.
- Ensure stable access to capital markets, particularly at advantageous rates.
- Improve its financial situation to maintain, or if possible, boost the city's credit rating.

Practices adopted within the framework of Montréal's public debt management policy fall under five broad headings. Any exceptions to this policy must be approved by the City Council or by the Urban Agglomeration Council, as appropriate. For further information on this topic, readers may refer to the city's debt management policy online at: **ville.montreal.qc.ca/finances**.

A variety of debt management policy measures have an impact on budgeted expenditures. Under this policy, for example, the city is applying $27.2 million of voluntary contributions in the 2011 Budget to accelerated reduction of the municipal debt. The debt management policy will accordingly have served to trim the debt by $197.2 million from the time that it was established in 2004 through the end of 2011.

Implementation of the debt management policy is helping to raise the city's financial profile and thus its credit rating. This policy also sets certain guidelines in terms of indebtedness and debt service burden.

The following section provides a financial portrait that clearly outlines the city's debt status and some of the guidelines established under the debt management policy.

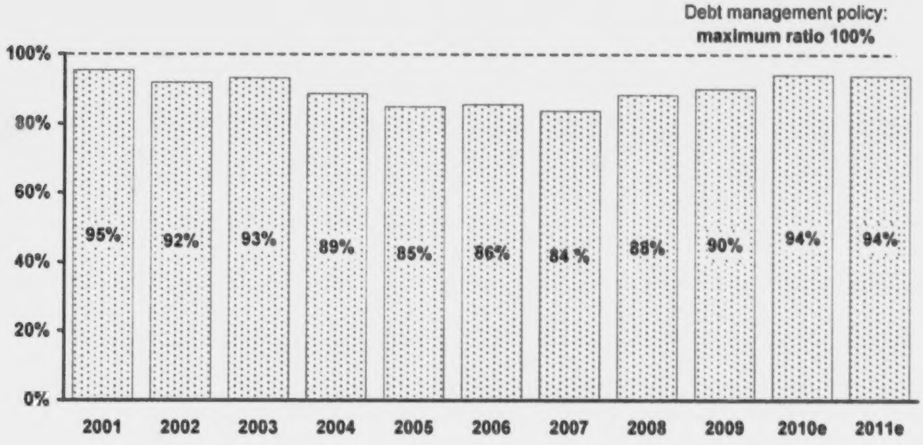
FINANCIAL PORTRAIT

Since the municipal merger of 2002, the city has instituted various financial and budgetary policies and frameworks. These "resources" ensured sound management of public moneys and provided short-, medium- and long-term improvements to the city's financial situation. This report describes the evolution of various financial criteria over the past 11 years and demonstrates how the city's financial situation has improved as a whole.

Net Direct and Indirect[1] Debt Burden

The debt management policy that has been in effect since 2004 sets various criteria for guiding the city's debt-management efforts. One such criterion is designed to cap direct and indirect debt at 100% of revenues from the city's Global Budget, excluding the impact of refinancing the initial actuarial liability. A review of the data shows that, despite substantial growth in net debt of the Société de transport de Montréal,[2] this ratio is still lower than 100%, at 94%.

Chart 3
Net Direct and Indirect Debt (Excluding Initial Actuarial Liability), from 2001 to 2011 as a Percentage of Revenues
(As at December 31 of each year)



e: estimated.

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[1] Indirect debt comprises debt from the city's accounting entities, which include the Société de transport de Montréal, the Société d'habitation et de développement de Montréal, Corporation Anjou 80 and Technoparc Saint-Laurent. The debt for 2005 has been adjusted in view of loan deferrals following the territorial reorganization. To balance out this special situation, we added $250 million to the debt of 2005. Debts for the reconstituted municipalities were generally excluded from Montréal's debt in 2006. In other words, the reconstituted municipalities remained responsible for their respective debts.

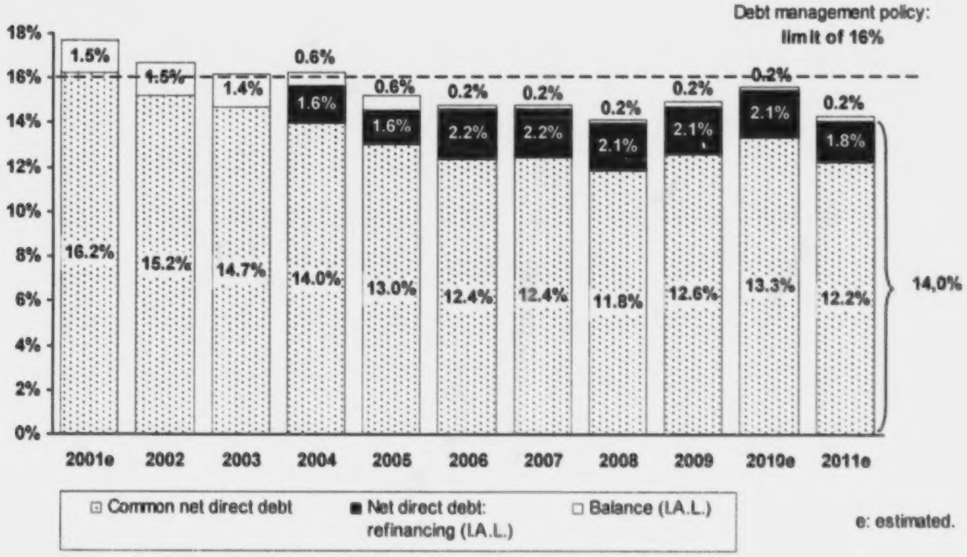
[2] Net debt of the Société de transport de Montréal is expected to rise from $164.9 million in 2001 to $483.4 million in 2011.

Relative Debt Service Burden

The following chart presents net debt service burden with respect to all expenditures. The city's debt management policy caps the relative debt service burden at 16% of all city expenditures. From 2003 to 2005, for example, the city refinanced the initial actuarial liability of five of its six retirement plans (managers, foremen, public servants, firefighters and professional workers). This refinancing process served to increase funding costs. The increase has, however, been offset by a reduction in special contributions.

Net debt service cost in 2001 was 16.2% of all operating expenditures and financing. This ratio declined to 12.2% in the 2011 Budget. Even with the financial cost of refinancing the initial actuarial liability, total net debt service with respect to the set of expenditures and financing costs is substantially down from 2001 at 14%.

Chart 4
Net Debt Service Cost as a Percentage of Expenditures and Financing from 2001 to 2011
(Budget data)



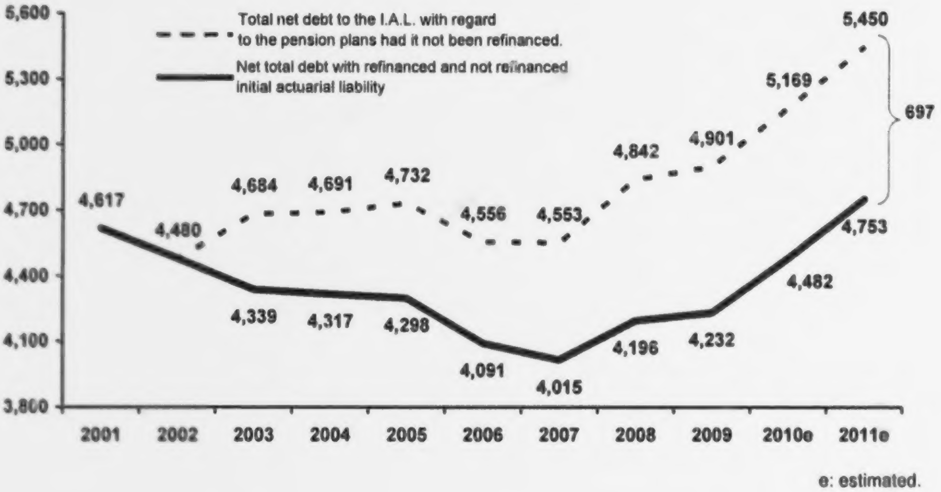
Improved Financial Results

As at December 31, 2001, the Ville de Montréal's net direct debt stood at $3 billion. The former city also had an initial actuarial liability of $1.6 billion with respect to its retirement plans, bringing the total to $4.6 billion.

One special feature of this initial actuarial liability is that it grew over the years until 2011, since special contributions that had been set aside were inadequate to pay the interest on this debt. The city's deployment of a strategy for refinancing this actuarial liability has largely served to rectify the situation and to improve Montréal's financial results by $697 million, primarily by:

- Trimming the initial actuarial liability by $240 million, with the cooperation of the Government of Québec, which has agreed to assume responsibility for this portion of the debt.
- A gain of $457 million, resulting from various aspects of this refinancing strategy, such as:
  - Freezing the amount of the initial actuarial liability, which has largely served to prevent future growth of this debt.
  - Modification of the repayment system, which made it possible to begin repaying the principal in 2004.
  - The financing structure and low interest rates.

Chart 5
Evolution of Net Direct Debt and Initial Actuarial Liability with and without the Refinancing Funding Strategy[3], 2001 to 2011
(Data as at December 31 of each year—in millions of dollars)



e: estimated.

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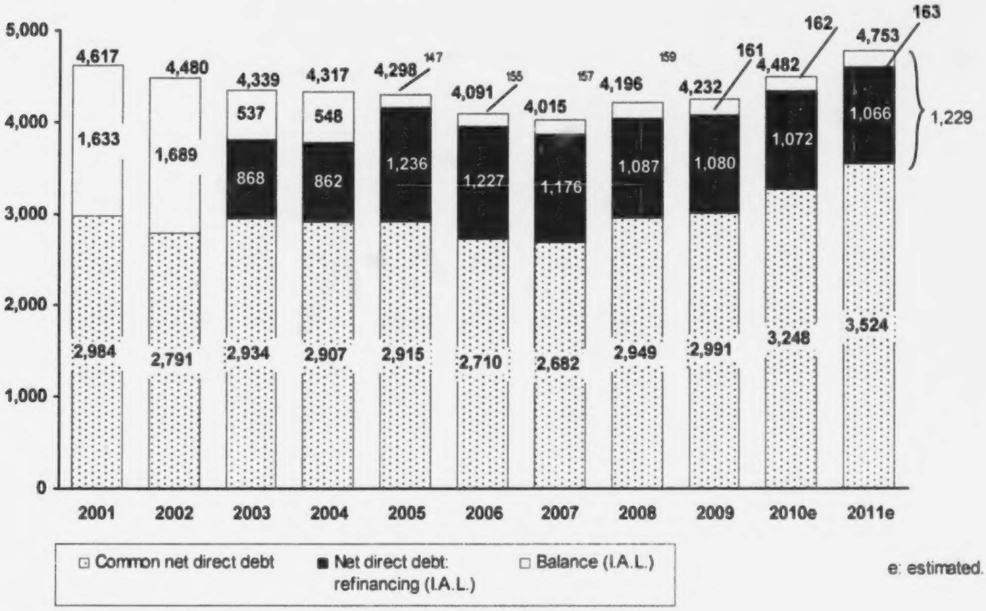
[3] The expenditures to be financed over the long term associated with the refinancing of the initial actuarial liability are not taken into account. In 2011, these expenditures hover around $37 million.

Indebtedness Under Control

Funded net direct debt (pertaining to loans to be repaid by the taxpayers) stood at $3.8 billion (including loans made in 2003 to refinance the initial actuarial liability) according to the city's financial statements for 2003 and 2004.[4] As the following chart illustrates, net direct debt and the initial actuarial liability have declined with respect to 2001. Since the time the initial actuarial liability was refinanced in 2003, it has dropped from $1.6 billion in 2001 to $1.1 billion in the 2011 Budget. Net direct debt, including the initial actuarial liability, has also dropped overall and with respect to 2001, from $4.6 billion in 2001 to $4.8 billion in the 2011 Budget.

Chart 6
Evolution of Net Direct Debt and Initial Acturial Liability (I.A.L.), 2001 to 2011
(Data as at December 31 of each year—in millions of dollars)



e: estimated.

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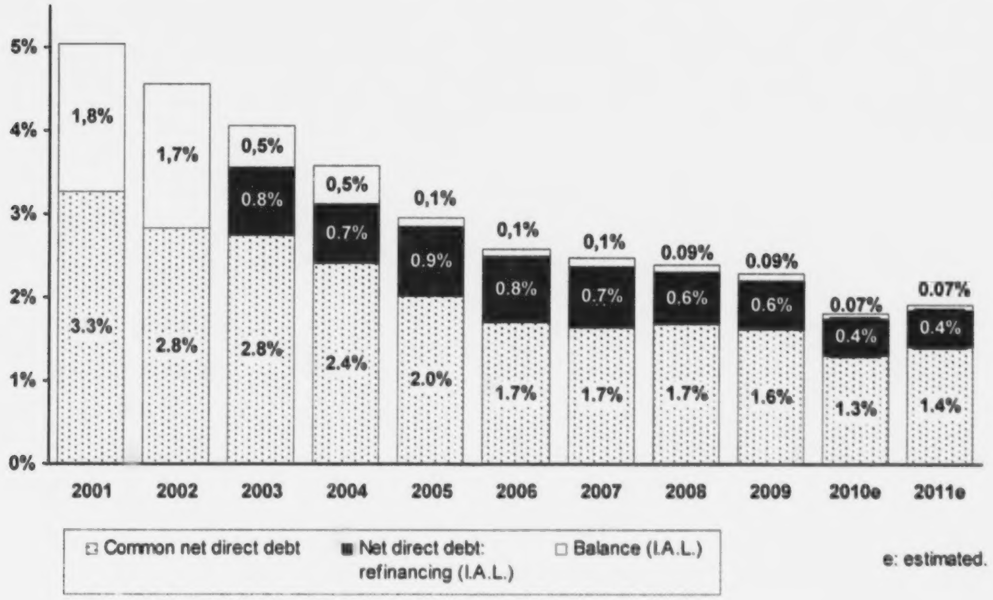
[4] This section does not consider investment expenditures and financial activities to be funded over the long term.

Direct Debt Burden in Terms of Assessed Property Value

The following chart illustrates the evolution of net direct debt in percentage terms with respect to the harmonized equivalent taxable assessment.[5] This chart reveals that the net direct debt burden is expected to drop from 3.3% in 2001 to 1.4% in 2011. Since the initial actuarial liabilities of certain retirement plans have been refinanced, the net direct debt burden should stand at 1.8% in December of 2011. This decline is due to three key factors:

- Change in the net direct debt, excluding refinancing of the initial actuarial liability.
- Citywide rise in property values.
- Montréal's strategy for refinancing the initial actuarial liability.

Chart 7
Net Direct Debt and Initial Actuarial Liability as Percentages of the Harmonized Equivalent Taxable Assessment, 2001 to 2011
(As at December 31 of each year)



e: estimated.

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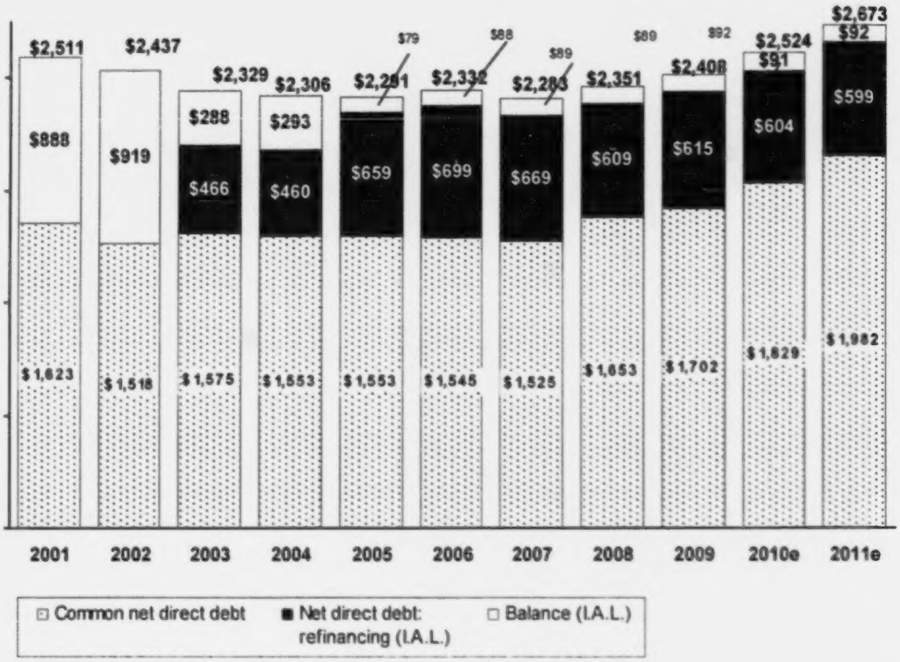
[5] The equivalent harmonized taxable value corresponds with the taxable value plus the adjusted value of non-taxable properties that are subject to payments in lieu of taxes. The equivalent taxable value is adjusted based on changes in the property market subsequent to implementation of the assessment roll, to reflect the latest (harmonized) values.

Net Direct Debt by Resident

The following chart reveals that net direct debt per resident, including the refinancing of the initial actuarial liability, has increased slightly since 2001. It is expected to climb from $2,511 in 2001 to about $2,673 in the 2011 Budget.

Chart 8
Net Direct Debt and Initial Actuarial Liability by Resident, 2001 to 2011
(As at December 31 of each year)

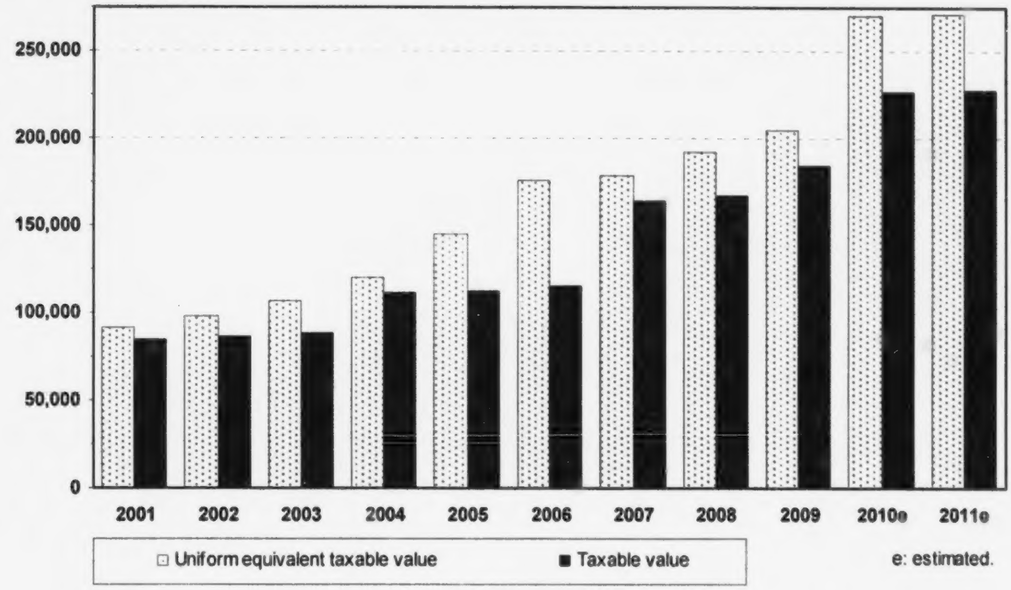


Rise in Assessed Property Value

The following chart illustrates the evolution of Montréal's property tax base. Since property taxes essentially serve as the source of the different municipalities' revenues, property value is a key indicator of such revenues.

There has been a substantial rise in taxable value and in the harmonized equivalent taxable value since 2001. Growth of some 25% occurred in the tax base, for example, between the 2001-2003 and the 2004-2006 three-year rolls. There was another 41% increase between the 2004-2006 and 2007-2010 rolls. Once again, the roll climbed 23% between 2007-2010 and 2011-2013. The property market is displaying exceptional vitality, as illustrated by the newly tabled figures. The value of new properties and the value of improvements to existing ones have further contributed to this general growth in worth.

Chart 9
Tax Assessment and Harmonized Equivalent Tax Assessment, 2001 to 2011
(In millions of dollars)



Conclusion

Numerous factors have positively influenced the city's financial situation over the 2001 to 2011 period. The key ones have been:

- Control over the level of indebtedness, while substantially boosting investment to keep infrastructure in good shape.
- Refinancing of the initial actuarial liability and financial support for this effort from the Government of Québec.
- An economic situation that has enabled the city to benefit from low interest rates.
- A substantial rise in the property tax base, primarily resulting from introduction of the 2004-2006, 2007-2010 and 2011-2013 assessment rolls and a real estate market that was particularly active in 2005 and 2006.
- Implementation of a debt management policy that will have slashed debt by $197.2 million from 2004 through late 2011, to accelerate debt repayment efforts.

TAXATION

2011 TAXATION

Municipal powers on the Island of Montréal are shared among the Urban Agglomeration Council, the municipal councils of the related municipalities and, in the case of Montréal, among the borough councils. The City Council's property taxes fund local expenditures and Montréal's share of expenditures that fall under the Urban Agglomeration Council's responsibility.

Tax Parameters

Montréal's City Council levies a variable rate tax on all properties situated within the city. Rates depend on property category. There are four such categories: residual (residential properties of five units or less), properties with six or more units, non-residential properties and serviced vacant lots.

Twice the basic tax rate applies to both serviced and unserviced vacant lots. However, while serviced vacant lots are also subject to the Water Tax and the Road Tax, these charges do not apply to unserviced vacant lots.

The solid waste management user fees applied in certain sectors remain unchanged in the 2011 Budget.

The General Property Tax

The local general property tax finances expenditures relating to the city's local areas of authority and to the city's payment of quota shares to defray expenditures falling under the Urban Agglomeration Council's jurisdiction.

Water Taxation

Water Financial Reserve Tax

The 2011 Budget provides for the payment of $157.6 million (up $32.6 million from the prior year) to the Water Financial Reserve.

The local contribution to the local Water Financial Reserve has been increased by $16.3 million in the 2011 Budget to $66.3 million. The urban agglomeration's contribution to this reserve, which is funded by quota shares, is set at another $16.3 million, for a total of $91.3 million in the 2011 Budget. Montréal's portion of this quota share stands at $74.1 million, up $13.2 million from 2010. Contributions from the reconstituted municipalities are up $3.1 million.

Total Water Financial Reserve contributions thus total $140.4 million in the 2011 Budget, a $29.5 million rise from 2010. Property taxes serve as the primary source of this contribution to the city's Water Financial Reserve and to Montréal's share of the urban agglomeration's Water Financial Reserve. Non-residential buildings are subject a property tax rate, plus a rate of $0.56 per cubic metre for all consumption in excess of 100,000 m^3.

Water Fees

Different residential water rates have been cut this year in many of the boroughs in which they are charged in an effort to harmonize such fees. Non-residential rates, however, remain the same.

Road Financial Reserve Tax

The collection of a Road Financial Reserve Tax that was suspended in 2010 will be resumed in the 2011 Budget. This tax stands at $17.3 million.

The Parking Lot Tax

The property tax on parking lots is expected to generate revenues of $19 million in the 2011 Budget, with rates unchanged from 2010. This tax applies to indoor and outdoor parking lots located in either of two sectors. "Sector A" is Montréal's business centre,[1] while "Sector B" is downtown Montréal,[2] excluding Sector A. A map of these two sectors appears in Appendix 10.

This per-square metre tax is based on the gross size of the parking lots. However, the first 390 m^2 is exempted for any parking lot, as long as it is not located on a serviced vacant lot where a parking business is situated. It is collected each year on the same dates and in the same manner as the general property tax.

Table 51
2011 Rates – Parking Lot Tax

	Indoor $/m²	Outdoor $/m²
Sector A	9.90	19.80
Sector B	4.95	14.85

Borough Taxation

The boroughs may levy two types of taxes: one pertaining to the cost of services and the other to the cost of capital investments. These taxes are charged at a single rate that applies to all building categories.

Services Tax

A borough council may levy a property tax or require compensation for taxable properties situated in its borough so that it may increase the levels of service it delivers. Eight boroughs will collect service taxes in fiscal 2011. Six of these boroughs (Lachine, LaSalle, Montréal-Nord, Saint-Léonard, Sud-Ouest and Verdun) will raise their tax levels. Pierrefonds-Roxboro will keep its tax at the same level as last year and Anjou will reduce its tax rate. Any changes in borough taxes will only result in tax changes for the boroughs concerned.

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[1] As defined in section 89 of *Charter of Ville de Montréal* (R.S.Q., chapter C-11.4).

[2] As defined in section 8 of *Compendium of tariffs of private transportation by taxi*, decision MPTC08-00275, 080804 ([2008] 140 G.O. II 4862).

Capital Investment Tax

Since 2005, the borough councils have had the authority to adopt borrowing by-laws for local expenditures in their respective three-year capital works programs. The owners of taxable properties situated in these boroughs are responsible for repaying such loans.

A borough investment tax has accordingly been levied under borrowing by-laws previously adopted by the various borough councils and investment expenditures that have been made in accordance with such by-laws. These investment taxes should generate revenues of $63.3 million in fiscal 2011 to repay loans relating to capital works performed from 2005 through 2009.

Treatment of Non-Taxable Properties

Under the *Act respecting municipal taxation*, non-taxable properties are subject to various payments in lieu of taxes. Properties belonging to the governments of Québec and of Canada are generally subject to payments in lieu of taxes equivalent to the full amount of municipal taxes that would otherwise be imposed.

The Government of Québec pays such compensation for properties falling within the healthcare and educational systems at the weighted global tax rate ("TGT"). The weighted TGT for fiscal 2011 has been set at $1.4374 $ per $100 of assessed valuation.[3]

Non-profit organizations recognized by the Commission municipale du Québec make payments in lieu of taxes to the Ville de Montréal and to the urban agglomeration of $0.5000 per $100 of assessed valuation on buildings that they own. Religious institutions make payments in lieu of taxes on their land, only, of $0.8000 per $100 of assessed valuation to the city.

Places of worship, property owned by the Régie des installations olympiques and property belonging to the Agence métropolitaine de transport make no payments in lieu of taxes, but may be subject to local user fees.

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[3] A rate equal to 97.1% of the weighted TGT is charged to healthcare system and higher education (community colleges and universities) properties. This percentage drops to 85.3% for elementary schools and to 72.2% for other properties in the primary-secondary school system.

Urban Agglomeration Taxes

The cost of the Urban Agglomeration Council's exercise of its powers is primarily funded by quota shares allocated to all of the related municipalities. The Urban Agglomeration Council also collects certain taxes.

9-1-1 Emergency Centre Tax

Under legislation adopted by the National Assembly to tax telephone customers and use these revenues to fund 9-1-1 emergency centres, the urban agglomeration charges each customer a 40¢ monthly tax. Resulting revenues are estimated at $10.7 million in the 2011 Budget.

Tax on Registered Vehicles

A tax on registered vehicles (TVI) has been established for fiscal 2011 throughout the urban agglomeration to help fund the Société de transport de Montréal (STM). At $45 per vehicle, this tax will be charged to residents who own a registered vehicle.

The TVI will be covered by a tax by-law that must be approved by the Urban Agglomeration Council during the year. Waivers may apply to certain types of vehicles, such as school buses, taxis and shared Communauto vehicles.

Since the TVI will only come into effect during the year, its expected contribution to the 2011 Budget has been capped at $18.5 million.

2011 Tax Rates

Tax rates for 2011 appear in tables 52, 53 and 54 for the residual category, for properties with six or more units and for non-residential buildings. User fees for water and solid waste are listed in tables 55 and 56.

Table 52
2011 Rates – Residual Properties
(In $ per $100 of assessed valuation)

Sectors-boroughs[1]	Ville de Montréal						Boroughs			GLOBAL AVERAGE CUMULATIVE RATE[4]
	General property tax	Contributions to the water financial reserve	Contribution to the roads financial reserve	Fees (property equivalent)[2]	Others[3]	Average cumulative rate[4]	Tax concerning services[5]	Tax concerning capital expenditures	Average cumulative rate[4]	
Anjou	0.9478	0.0551	0.0051	0.0248		1.0328	0.0350	0.0735	0.1085	1.1413
Lachine	0.8281	0.0551	0.0051	0.0807		0.9690	0.0344	0.0629	0.0973	1.0663
LaSalle	0.8029	0.0551	0.0051	0.0897		0.9528	0.0692	0.0481	0.1173	1.0701
L'Île-Bizard	0.8614	0.0551	0.0051	0.0288		0.9504		0.0786	0.0786	1.0290
Montréal										
Ahuntsic-Cartierville	0.9493	0.0551	0.0051			1.0095		0.0507	0.0507	1.0602
Côte-des-Neiges–Notre-Dame-de-Grâce	0.9493	0.0551	0.0051			1.0095		0.0287	0.0287	1.0382
Mercier–Hochelaga-Maisonneuve	0.9493	0.0551	0.0051			1.0095		0.0407	0.0407	1.0502
Plateau-Mont-Royal	0.9493	0.0551	0.0051			1.0095		0.0243	0.0243	1.0338
Rivière-des-Prairies–Pointe-aux-Trembles	0.9493	0.0551	0.0051			1.0095		0.0638	0.0638	1.0733
Rosemont–La Petite-Patrie	0.9493	0.0551	0.0051			1.0095		0.0453	0.0453	1.0548
Sud-Ouest	0.9493	0.0551	0.0051			1.0095	0.0118	0.0568	0.0686	1.0781
Ville-Marie	0.9493	0.0551	0.0051			1.0095		0.0139	0.0139	1.0234
Villeray–Saint-Michel–Parc-Extension	0.9493	0.0551	0.0051			1.0095		0.0458	0.0458	1.0553
Montréal-Nord	0.8958	0.0551	0.0051	0.0308		0.9868	0.0916	0.0527	0.1443	1.1311
Outremont	0.8465	0.0551	0.0051	0.0425		0.9492		0.0203	0.0203	0.9695
Pierrefonds	0.8749	0.0551	0.0051	0.0538		0.9889	0.0273	0.0691	0.0964	1.0853
Roxboro	0.9178	0.0551	0.0051	0.0310		1.0090	0.0273	0.0600	0.0873	1.0963
Sainte-Geneviève	0.7768	0.0551	0.0051	0.1413		0.9783		0.0783	0.0783	1.0566
Saint-Laurent	0.9228	0.0551	0.0051	0.0186		1.0016		0.0529	0.0529	1.0545
Saint-Léonard	0.8864	0.0551	0.0051	0.0244		0.9710	0.0153	0.0592	0.0745	1.0455
Verdun	0.8050	0.0551	0.0051	0.0673	0.0679	1.0004	0.0307	0.0394	0.0701	1.0705
VILLE DE MONTRÉAL						0.9989			0.0575	1.0564

[1] Rates for certain boroughs appear by sector, based on the geographic locations of the former municipalities that existed before the municipal merger of 2002. Differences between property tax rates in these sectors are largely due to the repayment of loans obtained by these entities prior to 2002.

[2] User fees have been converted to property tax rates. These rates appear for purposes of information. They are produced by dividing revenues generated from user fees for water supply and waste management services by the values of the properties in question.

[3] Verdun collects two different property taxes to pay for municipal work. For Île-des-Sœurs, the tax rate is $0.0586, while this rate is $0.0797 for the "mainland" sector. This corresponds to an average weighted rate of $0.0679 for this property category.

[4] The average cumulative rates correspond to the sum of a council's revenues from taxes and user fees, divided by the values of properties situated within that jurisdiction. The global average cumulative rate corresponds to the set of average cumulative rates for the two levels of taxation.

[5] Lachine charges a fee of $63.35 per unit, corresponding to a property tax of $0.0344 for this category of structure.

Table 53
2011 Rates – Properties with Six or More Units

(In $ per $100 of assessed valuation)

Sectors-boroughs[1]	Ville de Montréal						Boroughs			GLOBAL AVERAGE CUMULATIVE RATE[4]
	General property tax	Contributions to the water financial reserve	Contribution to the roads financial reserve	Fees (property equivalent)[2]	Others[3]	Average cumulative rate[4]	Tax concerning services[5]	Tax concerning capital expenditures	Average cumulative rate[4]	
Anjou	1.0232	0.0551	0.0051	0.0269		**1.1103**	0.0350	0.0735	**0.1085**	**1.2188**
Lachine	0.7243	0.0551	0.0051	0.2620		**1.0465**	0.1127	0.0629	**0.1755**	**1.2220**
LaSalle	0.6959	0.0551	0.0051	0.2742		**1.0303**	0.0692	0.0481	**0.1173**	**1.1476**
L'Île-Bizard	0.7981	0.0551	0.0051	0.1696		**1.0279**		0.0786	**0.0786**	**1.1065**
Montréal										
Ahuntsic-Cartierville	1.0267	0.0551	0.0051			**1.0869**		0.0507	**0.0507**	**1.1376**
Côte-des-Neiges–Notre-Dame-de-Grâce	1.0267	0.0551	0.0051			**1.0869**		0.0287	**0.0287**	**1.1156**
Mercier–Hochelaga-Maisonneuve	1.0267	0.0551	0.0051			**1.0869**		0.0407	**0.0407**	**1.1276**
Plateau-Mont-Royal	1.0267	0.0551	0.0051			**1.0869**		0.0243	**0.0243**	**1.1112**
Rivière-des-Prairies–Pointe-aux-Trembles	1.0267	0.0551	0.0051			**1.0869**		0.0638	**0.0638**	**1.1507**
Rosemont–La Petite-Patrie	1.0267	0.0551	0.0051			**1.0869**		0.0453	**0.0453**	**1.1322**
Sud-Ouest	1.0267	0.0551	0.0051			**1.0869**	0.0118	0.0568	**0.0686**	**1.1555**
Ville-Marie	1.0267	0.0551	0.0051			**1.0869**		0.0139	**0.0139**	**1.1008**
Villeray–Saint-Michel–Parc-Extension	1.0267	0.0551	0.0051			**1.0869**		0.0458	**0.0458**	**1.1327**
Montréal-Nord	0.9245	0.0551	0.0051	0.0796		**1.0643**	0.0916	0.0527	**0.1443**	**1.2086**
Outremont	0.7669	0.0551	0.0051	0.1996		**1.0267**		0.0203	**0.0203**	**1.0470**
Pierrefonds	0.7871	0.0551	0.0051	0.2191		**1.0664**	0.0273	0.0691	**0.0964**	**1.1628**
Roxboro	0.9258	0.0551	0.0051	0.1005		**1.0865**	0.0273	0.0600	**0.0873**	**1.1738**
Sainte-Geneviève	0.7140	0.0551	0.0051	0.2815		**1.0557**		0.0783	**0.0783**	**1.1340**
Saint-Laurent	0.9403	0.0551	0.0051	0.0785		**1.0790**		0.0529	**0.0529**	**1.1319**
Saint-Léonard	0.9211	0.0551	0.0051	0.0671		**1.0484**	0.0153	0.0592	**0.0745**	**1.1229**
Verdun	0.7370	0.0551	0.0051	0.2128	0.0717	**1.0817**	0.0307	0.0394	**0.0701**	**1.1518**
VILLE DE MONTRÉAL						**1.0812**			**0.0519**	**1.1331**

[1] Rates for certain boroughs appear by sector, based on the geographic locations of the former municipalities that existed before the city merger of 2002. Differences between property tax rates in these sectors are largely due to the repayment of loans obtained by these entities prior to 2002.

[2] User fees have been converted to property tax rates. These rates appear for purposes of information. They are produced by dividing revenues generated from user fees for water supply and waste management services by the values of the properties in question.

[3] Verdun collects two different property taxes to pay for municipal work. For Île-des-Sœurs, the tax rate is $0.0586, while this rate is $0.0797 for the "mainland" sector. This corresponds to an average weighted rate of $0.0717 for this property category.

[4] The average cumulative rates correspond to the sum of a council's revenues from taxes and user fees, divided by the values of properties situated within that jurisdiction. The global average cumulative rate corresponds to the set of average cumulative rates for the two levels of taxation.

[5] Lachine charges a fee of $63.35 per unit, corresponding to a property tax of $0.01127 for this category of structure.

Table 54
2011 Rates – Non-residential Properties

(In $ per $100 of assessed valuation)

Sectors-boroughs[1]	Ville de Montréal							Boroughs			GLOBAL AVERAGE CUMULATIVE RATE[4]
	General property tax	Contributions to the water financial reserve		Contribution to the roads financial reserve	Fees (property equivalent)[2]	Others[3]	Average cumulative rate[4]	Tax concerning services[5]	Tax concerning capital expenditures	Average cumulative rate[4]	
		Based on property value	Major water users[2]								
Anjou	3.8686	0.2008	0.0105	0.0316	0.0411		**4.1526**	0.0350	0.0735	**0.1085**	**4.2611**
Lachine	3.5638	0.2008	0.0510	0.0316	0.1254		**3.9726**	0.0093	0.0629	**0.0722**	**4.0448**
LaSalle	3.5314	0.2008	0.0100	0.0316	0.1044		**3.8782**	0.0692	0.0481	**0.1173**	**3.9955**
L'Île-Bizard	3.5816	0.2008		0.0316	0.0513		**3.8653**		0.0786	**0.0786**	**3.9439**
Montréal											
Ahuntsic-Cartierville	3.8384	0.2008	0.0064	0.0316	0.0025		**4.0797**		0.0507	**0.0507**	**4.1304**
Côte-des-Neiges–Notre-Dame-de-Grâce	3.8384	0.2008	0.0185	0.0316	0.0073		**4.0966**		0.0287	**0.0287**	**4.1253**
Mercier–Hochelaga-Maisonneuve	3.8384	0.2008	0.0797	0.0316	0.0313		**4.1818**		0.0407	**0.0407**	**4.2225**
Plateau-Mont-Royal	3.8384	0.2008		0.0316			**4.0708**		0.0243	**0.0243**	**4.0951**
Rivière-des-Prairies–Pointe-aux-Trembles	3.8384	0.2008	0.0170	0.0316	0.0067		**4.0945**		0.0638	**0.0638**	**4.1583**
Rosemont–La Petite-Patrie	3.8384	0.2008	0.0051	0.0316	0.0020		**4.0779**		0.0453	**0.0453**	**4.1232**
Sud-Ouest	3.8384	0.2008	0.0411	0.0316	0.0161		**4.1280**	0.0118	0.0568	**0.0686**	**4.1966**
Ville-Marie	3.8384	0.2008	0.0100	0.0316	0.0039		**4.0847**		0.0139	**0.0139**	**4.0986**
Villeray–Saint-Michel–Parc-Extension	3.8384	0.2008	0.0241	0.0316	0.0095		**4.1044**		0.0458	**0.0458**	**4.1502**
Montréal-Nord	3.4823	0.2008	0.0292	0.0316	0.2490		**3.9929**	0.0916	0.0527	**0.1443**	**4.1372**
Outremont	3.5280	0.2008		0.0316	0.1045		**3.8649**		0.0203	**0.0203**	**3.8852**
Pierrefonds	3.6680	0.2008		0.0316	0.0946		**3.9950**	0.0273	0.0691	**0.0964**	**4.0914**
Roxboro	3.7420	0.2008		0.0316	0.0891		**4.0635**	0.0273	0.0600	**0.0873**	**4.1508**
Sainte-Geneviève	3.5286	0.2008		0.0316	0.2011		**3.9621**		0.0783	**0.0783**	**4.0404**
Saint-Laurent	3.7142	0.2008	0.0171	0.0316	0.0848		**4.0485**		0.0529	**0.0529**	**4.1014**
Saint-Léonard	3.6228	0.2008	0.0282	0.0316	0.0803		**3.9637**	0.0153	0.0592	**0.0745**	**4.0382**
Verdun	3.4815	0.2008		0.0316	0.0822	0.0657	**3.8618**	0.0307	0.0394	**0.0701**	**3.9319**
VILLE DE MONTRÉAL							**4.0691**			**0.0415**	**4.1106**

[1] Rates for certain boroughs appear by sector, based on the geographic locations of the former municipalities that existed before the city merger of 2002. Differences between property tax rates in these sectors are largely due to the repayment of loans obtained by these entities prior to 2002.

[2] User fees have been converted to property tax rates. These rates appear for purposes of information. They are produced by dividing revenues generated from user fees for water supply and waste management services by the values of the properties in question.

[3] Verdun collects two different property taxes to pay for municipal work. For Île-des-Sœurs, the tax rate is $0.0586, while this rate is $0.0797 for the "mainland" sector. This corresponds to an average weighted rate of $0.0657 for this property category.

[4] The average cumulative rates correspond to the sum of a council's revenues from taxes and user fees, divided by the values of properties situated within that jurisdiction. The global average cumulative rate corresponds to the set of average cumulative rates for the two levels of taxation.

[5] Lachine charges a user fee of $63.35 per unit, corresponding to a property tax of $0.0093 for this category of structure.

Table 55
Residential Property User Fees by Borough, Ville de Montréal[1]

Boroughs	Water	Solid waste
Ahuntsic-Cartierville	N/A	N/A
Anjou	Buildings with 5 or fewer units: fixed fee of $45 per unit. Buildings with 6 units or more: metered rate $0.091122/m^3.	N/A
Côte-des-Neiges–Notre-Dame-de-Grâce	N/A	N/A
Lachine	Fixed feee of $62 per unit.	$85 per unit
LaSalle	Base rate of $40 per unit for the first 255 m^3, metered rate of $0.37/m^3 up to 425 m^3 and $0.41/m^3 for excess consumption.	$100 per unit
L'Île-Bizard–Sainte-Geneviève	L'Île-Bizard: fixed fee of $100 per unit, except for chalets ($45 per unit) and rooming houses ($20 per room). Sainte-Geneviève: fixed fee of $115 per unit ($115 per building for rooming houses).	L'Île-Bizard: N/A Sainte-Geneviève: $125 per unit or $50 per room
Mercier–Hochelaga-Maisonneuve	N/A	N/A
Montréal-Nord	Fixed rate of $45 per unit for all buildings.	N/A
Outremont	N/A	$202 per unit
Pierrefonds-Roxboro	Pierrefonds: fixed fee of $45 per unit. Roxboro: buildings with 10 or fewer units: fixed fee of $68 per unit; buildings with 11 units or more: fixed fee of $45 per unit.	Pierrefonds: $85 per unit Roxboro: N/A
Plateau-Mont-Royal	N/A	N/A
Rivière-des-Prairies–Pointe-aux-Trembles	N/A	N/A
Rosemont–La Petite-Patrie	N/A	N/A
Saint-Laurent	Fixed minimum of $25 per unit for the first 228 m^3 and metered rate of $0.398/m^3 for excess consumption.	N/A
Saint-Léonard	Fixed fee of $45 per unit.	N/A
Sud-Ouest	N/A	N/A
Verdun	Fixed fee of $45 per unit.	$96 per unit
Ville-Marie	N/A	N/A
Villeray–Saint-Michel–Parc-Extension	N/A	N/A

[1] This table displays the main types of user fees. Certain distinctive features are not indicated, however. Water consumption data have been converted to cubic metres.

Table 56
Non-Residential Property User Fees by Borough, Ville de Montréal[1]

Boroughs	Water	Solid waste
Ahuntsic-Cartierville	Metered rate of $0.22/$m^3$ for major water users.	N/A
Anjou	Metered rate of $0.1869775/$m^3$.	N/A
Côte-des-Neiges–Notre-Dame-de-Grâce	Metered rate of $0.22/$m^3$ for major water users.	N/A
Lachine	Varied metered fees for mixed-used and non-residential buildings. Lachine: the higher of: a) $62 per unit and $150 per business establishment b) $0.33/$m^3$ for 454,609 m^3 and $0.2562/$m^3$ for excess consumption. Saint-Pierre, the higher of: a) $0.90/$m^3$, b) $62 per unit and $360 per business establishment c) fixed fee depending on the type of meter: from $1,300 to $4,700.	$85 per business establishment
LaSalle	Base rate of $90 per unit for the first 255 m^3, metered rate of $0.37/$m^3$ up to 425 m^3 and $0.41/$m^3$ for excess consumption.	$100 per business establishment
L'Île-Bizard–Sainte-Geneviève	L'Île-Bizard: varied fixed fees: business in mixed-use building, $160 per business establishment; other business, $270 per business establishment. Sainte-Geneviève: base rate of $175 per business establishment for the first 227.3 m^3 and metered rate of $0.274967/$m^3$ for excess consumption.	L'Île-Bizard: N/A Sainte-Geneviève : $125 per business establishment
Mercier–Hochelaga-Maisonneuve	Metered rate of $0.22/$m^3$ for major water users.	N/A
Montréal-Nord	The higher of: a) fixed fee of $0.2370 per $100 of valuation, or b) $0.165/m3.	N/A
Outremont	Metered rate of $0.44/$m^3$. A credit of $0.10 per $100 of commercial valuation is given.	$202 per business office or $518 per business establishment
Pierrefonds-Roxboro	Pierrefonds: base rate of $85 per unit for the first 300 m^3 and metered rate of $0.21/$m^3$ for excess consumption. Roxboro: fixed fee per business establishment, from $180 to $380 depending on the type of business.	Pierrefonds: $85 per business establishment Roxboro: N/A
Plateau-Mont-Royal	Metered rate of $0.22/$m^3$ for major water users.	N/A
Rivière-des-Prairies–Pointe-aux-Trembles	Metered rate of $0.22/$m^3$ for major water users.	N/A
Rosemont–La Petite-Patrie	Metered rate of $0.22/$m^3$ for major water users	N/A
Saint-Laurent	Different fixed minimum depending on meter diameter. Metered rate of $0.398/$m^3$ up to 909,200 m^3 and $0.297/$m^3$ for excess consumption.	N/A
Saint-Léonard	Fixed minimum of $85 per business establishment for the first 318 m^3 and metered rate of $0.26708/$m^3$ for excess consumption.	N/A
Sud-Ouest	Metered rate of $0.22/$m^3$ for major water users.	N/A
Verdun	Fixed minimum of $78 per business establishment for the first 228 m^3 and metered rat of $0.19/$m^3$ for excess consumption.	$96 per business establishment
Ville-Marie	Metered rate of $0.22/$m^3$ for major water users.	N/A
Villeray–Saint-Michel–Parc-Extension	Metered rate of $0.22/$m^3$ for major water users.	N/A

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[1] This table displays the main types of user fees. Certain distinctive features are not indicated, however. Water consumption data have been converted to cubic metres.

CITYWIDE VARIATIONS IN TAX BURDEN

The following tables present differences in general tax burden for residential and non-residential properties in each of Montréal's boroughs. They also present differences in tax burden due to borough taxes and to the water and road financial reserve taxes. An average tax increase of 2.5% applies to residential and to non-residential properties.

Tax bills may, however, increase or decrease in different proportions, based primarily on the manner in which different property values within the city have evolved with respect to each other.

Table 57
Rate and Overall Rate and Variation in Tax Burden from 2010 to 2011 by Borough – Residential Properties

Boroughs	Residential properties				
	General tax burdens[1]	Contributions to the water financial reserve	Contribution to the roads financial reserve	Borough taxes services	Overall tax burden
Ahuntsic-Cartierville	**1.6%**	1.1%	0.5%		3.2%
Anjou	**2.6%**	1.1%	0.5%	-0.2%	4.0%
Côte-des-Neiges–Notre-Dame-de-Grâce	**1.2%**	1.2%	0.5%		2.9%
Lachine	**4.2%**	1.1%	0.5%	0.2%	6.0%
LaSalle	**1.9%**	1.2%	0.5%	0.5%	4.1%
L'Île-Bizard–Sainte-Geneviève	**2.9%**	1.1%	0.5%		4.5%
Mercier–Hochelaga-Maisonneuve	**3.0%**	1.2%	0.5%		4.7%
Montréal-Nord	**1.2%**	1.1%	0.5%	0.5%	3.3%
Outremont	**2.7%**	1.3%	0.5%		4.5%
Pierrefonds-Roxboro	**0.9%**	1.1%	0.5%		2.5%
Plateau-Mont-Royal	**5.1%**	1.2%	0.5%		6.8%
Rivière-des-Prairies–Pointe-aux-Trembles	**2.3%**	1.1%	0.5%		3.9%
Rosemont–La Petite-Patrie	**3.6%**	1.2%	0.5%		5.3%
Saint-Laurent	**3.1%**	1.2%	0.5%		4.8%
Saint-Léonard	**3.4%**	1.2%	0.5%	0.7%	5.8%
Sud-Ouest	**4.4%**	1.2%	0.5%	1.2%	7.3%
Verdun	**1.1%**	1.1%	0.5%	0.8%	3.5%
Ville-Marie	**0.7%**	1.2%	0.5%		2.4%
Villeray–Saint-Michel–Parc-Extension	**3.1%**	1.2%	0.5%		4.8%
VILLE DE MONTRÉAL	**2.5%**	**1.2%**	**0.5%**	**0.1%**	**4.3%**

[1] "General tax burden" comprises general property taxes, basic contributions to the Water Financial Reserve, fiscal user fees and borough investment taxes. It excludes additional taxes for the road and water financial reserves and changes in borough service taxes.

Source: Compilation based on tax parameters for 2010 and 2011 and updated as at September 15, 2010.

Table 58
Rate and Overall Rate and Variation in Tax Burden from 2010 to 2011 by Borough – Non-Residential Properties

Boroughs	Non-residential properties				
	General tax burdens[1]	Contributions to the water financial reserve	Contribution to the roads financial reserve	Borough taxes services	Overall tax burden
Ahuntsic-Cartierville	**1.7%**	0.9%	0.7%		3.3%
Anjou	**2.6%**	1.1%	0.8%	-0.1%	4.4%
Côte-des-Neiges–Notre-Dame-de-Grâce	**1.3%**	0.8%	0.5%		2.6%
Lachine	**2.7%**	1.2%	0.8%	0.0%	4.7%
LaSalle	**2.5%**	1.1%	0.8%	0.1%	4.5%
L'Île-Bizard–Sainte-Geneviève	**2.9%**	0.7%	0.7%		4.3%
Mercier–Hochelaga-Maisonneuve	**1.5%**	1.1%	0.7%		3.3%
Montréal-Nord	**2.5%**	1.0%	0.7%	0.1%	4.3%
Outremont	**3.2%**	0.7%	0.5%		4.4%
Pierrefonds-Roxboro	**3.0%**	1.0%	0.7%		4.7%
Plateau-Mont-Royal	**6.1%**	1.0%	0.7%		7.8%
Rivière-des-Prairies–Pointe-aux-Trembles	**2.6%**	1.0%	0.7%		4.3%
Rosemont–La Petite-Patrie	**3.5%**	0.9%	0.7%		5.1%
Saint-Laurent	**3.1%**	1.1%	0.8%		5.0%
Saint-Léonard	**4.0%**	1.2%	0.8%	0.2%	6.2%
Sud-Ouest	**4.2%**	1.1%	0.7%	0.3%	6.3%
Verdun	**4.3%**	1.0%	0.7%	0.2%	6.2%
Ville-Marie	**1.8%**	1.0%	0.8%		3.6%
Villeray–Saint-Michel–Parc-Extension	**3.6%**	1.0%	0.7%		5.3%
VILLE DE MONTRÉAL	**2.5%**	**1.0%**	**0.7%**	**0.1%**	**4.3%**

[1] "General tax burden" comprises general property taxes, basic contributions to the Water Financial Reserve, fiscal user fees and borough investment taxes. It excludes additional taxes for the road and water financial reserves and changes in borough service taxes.

Source: Compilation based on tax parameters for 2010 and 2011 and updated as at September 15, 2010.

THE CITY ASSESSMENT ROLL

Municipal revenues on the Island of Montréal are primarily derived from taxation based on property values. These values have evolved in two respects. The construction of new buildings and major renovations to existing structures increased the property-tax base from September 13, 2009 to September 13, 2010. Furthermore, a new property assessment roll reappraising the values of all Montréal properties was introduced on September 15, 2010. These two types of change are discussed separately.

Change in the Assessment Roll from 2009 to 2010

The taxable property base grew by more than $1.4 billion from September 13, 2009 to September 13, 2010. The following table highlights changes in the 2007-2010 roll over this period, based on certificates modifying the value of properties located within the Island of Montréal.

Table 59
Change in the 2007-2010 Four-Year Assessment Roll, Ville de Montréal

	Property value ($M)		
	Taxable	**Non-taxable**	**Total**
Value at tabling, September 13, 2009	135,785.5	22,396.9	158,182.4
Variation during year:			
Addition of new buildings	967.6	15.2	982.9
Modification to existing buildings	451.1	292.8	743.9
Revision agreement	(5.5)	0.0	(5.5)
Decision of the CMQ	(27.1)	27.1	0.0
Fire	(14.0)	(0.1)	(14.0)
Demolition	(25.3)	(1.4)	(26.7)
Other	57.5	4.1	61.6
Value as of September 13, 2010	**137,189.9**	**22,734.5**	**159,924.4**
Net variation:			
September 13, 2009 – September 13, 2010	**1,404.4**	**337.7**	**1,742.1**
September 13, 2008 – September 13, 2009	2,242.3	(97.9)	2,144.4
September 13, 2007 – September 13, 2008	2,655.7	3.8	2,659.5
September 13, 2006 – September 13, 2007	1,920.2	481.9	2,402.1

Source: Ville de Montréal, 2007-2010 Four-Year Assessment Roll, updated September 13, 2010.

The following table presents variations in taxable values from 2009 to 2010 for each of Montréal's boroughs.

Table 60
Variation in Taxable Values by Borough

Boroughs	Taxable property value ($M)			Net variation in percentage of tax base
	Sept. 13, 2009	Sept. 13, 2010	Net variation	
Verdun	5,457.9	5,613.3	155.3	2.8%
Sud-Ouest	4,599.8	4,674.4	74.6	1.6%
Ville-Marie	21,215.6	21,529.0	313.4	1.5%
Saint-Laurent	10,389.6	10,541.6	152.0	1.5%
Mercier–Hochelaga-Maisonneuve	8,297.6	8,419.0	121.4	1.5%
Saint-Léonard	5,716.9	5,786.1	69.2	1.2%
Villeray–Saint-Michel–Parc-Extension	7,345.2	7,414.6	69.3	0.9%
Rivière-des-Prairies–Pointe-aux-Trembles	7,510.6	7,577.2	66.6	0.9%
Pierrefonds-Roxboro	4,894.5	4,937.9	43.4	0.9%
Plateau-Mont-Royal	8,545.3	8,620.3	74.9	0.9%
Côte-des-Neiges–Notre-Dame-de-Grâce	11,238.0	11,334.1	96.1	0.9%
Rosemont–La Petite-Patrie	8,515.7	8,583.6	67.8	0.8%
Ahuntsic-Cartierville	9,590.0	9,638.4	48.5	0.5%
Anjou	3,981.0	4,000.2	19.2	0.5%
LaSalle	5,398.3	5,424.2	25.9	0.5%
L'Île-Bizard–Sainte-Geneviève	1,728.1	1,733.3	5.2	0.3%
Lachine	3,570.1	3,576.9	6.9	0.2%
Montréal-Nord	4,363.8	4,365.0	1.2	0.0%
Outremont[1]	3,427.4	3,420.9	-6.5	-0.2%
VILLE DE MONTRÉAL	**135,785.5**	**137,189.9**	**1,404.4**	**1.0%**

[1] The Outremont switching yard, sold to the Université de Montréal, has become non-taxable.

Source: Ville de Montréal, 2007-2010 Assessment Roll, updated September 13, 2010.

The New 2011-2013 Assessment Roll

The city's new assessment roll comes into effect on January 1, 2011. Changes in value are not uniform and certain differences in indexing values are great enough that the Administration has decided to stagger these changes over a three-year period.

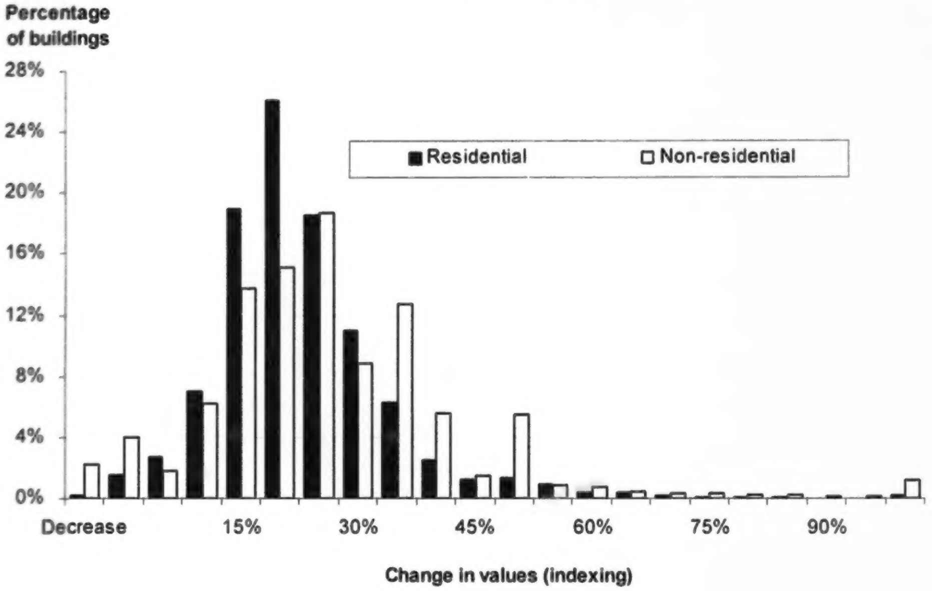
Dispersal of Property Value Changes in Montréal

The roll introduced on September 15, 2010 lists a total taxable property value of $170 billion, up 23.9% with respect to the previous roll. However, differences in indexing apply to buildings within a given category, to different categories of structures and to Montréal's different boroughs.

The following figure illustrates the dispersal of changes in taxable values of Montréal's residential and non-residential properties.

Figure 2

Dispersal of Change in Property Values of Taxable Residential and Non-Residential Buildings from the 2007-2010 to the 2011-2013 Roll, for Montréal



The owner of a property with the value that has increased more than an average amount will pay higher property taxes, all other factors being equal. Conversely, the owner of a property the value of which has increased less than average will pay lower taxes. Figures 3 and 4 show, for each borough, the respective proportions of residential and non-residential buildings the values of which have evolved above or below the average indexing for Montréal as a whole.

Figure 3

Dispersal of Change in Taxable Residential Property Values with Respect to Average Indexing from the 2007-2010 to the 2011-2013 Roll, by Borough

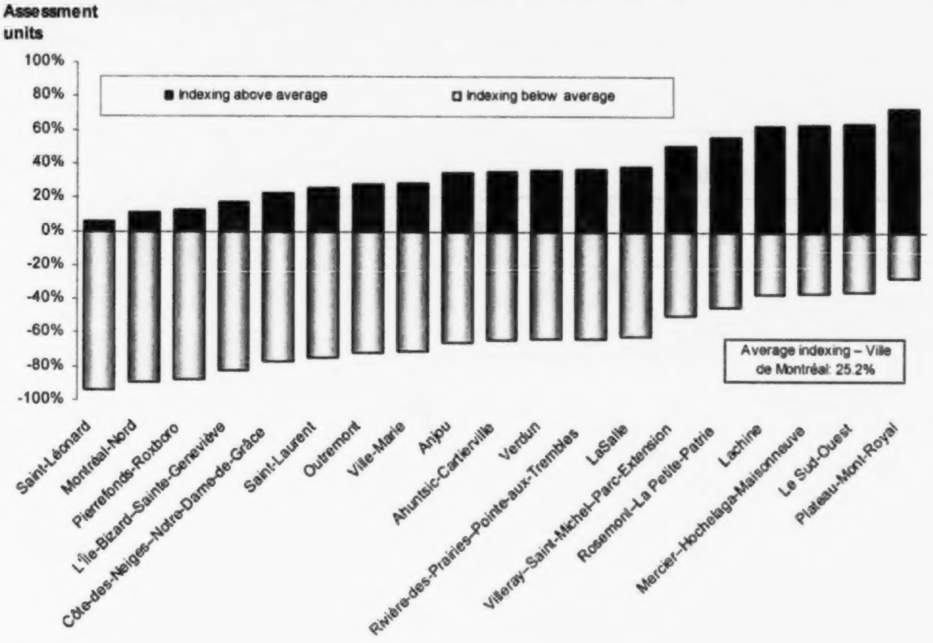
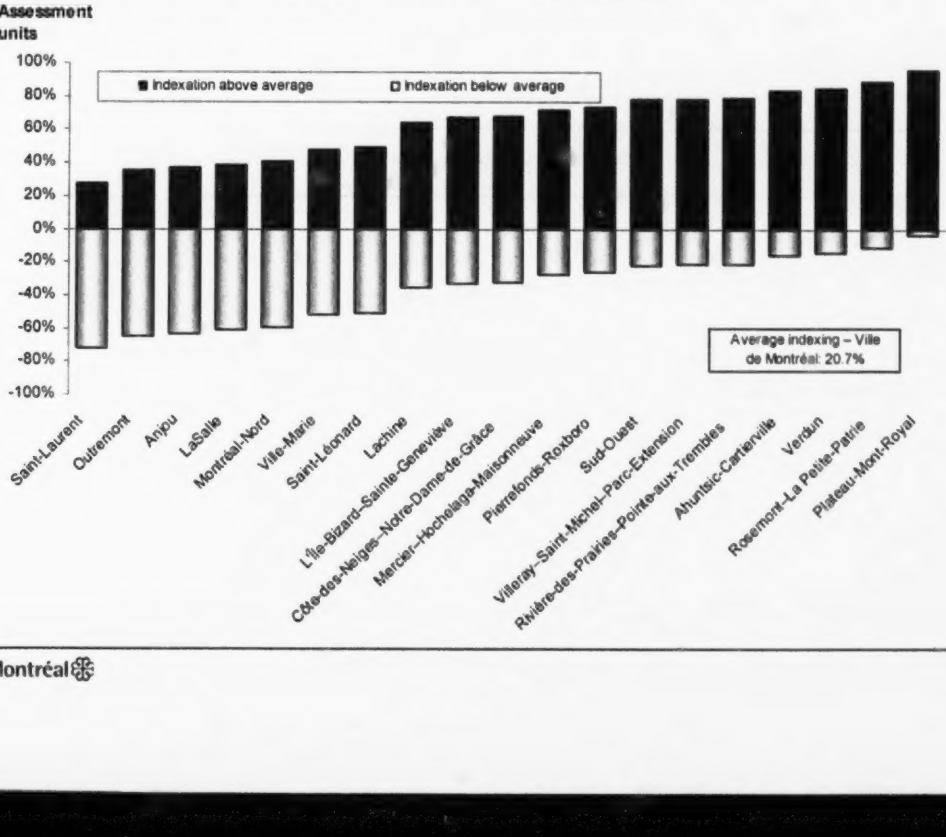


Figure 4

Dispersal of Change in Taxable Non-Residential Property Values with Respect to Average Indexing from the 2007-2010 to the 2011-2013 Roll, by Borough



Phasing in of Value Changes in the Property Assessment Roll

To reduce the impact illustrated in the preceding figures, property value changes between prior and current assessment rolls in Montréal will be staggered over a three-year period.

Consequently, in calculating property taxes for 2011, 2012 and 2013, one quarter of the difference between property values entered on the previous and the current roll is added (or subtracted, as the case may be) each year to produce what is known as the "adjusted value".

The following table illustrates how adjusted values are calculated for two properties whose values on the roll have evolved differently.

Table 61
Calculation of Adjusted Property Value for 2011, 2012 and 2013

	Property A	Property B
Basic data		
Value on the 2007-2010 roll (4 years)	$200,000	$200,000
Value on the 2011-2013 roll (3 years)	$170,000	$260,000
Variation of the value on the roll	-$30,000	$60,000
Calculation of the adjusted value		
Value on the 2007-2010 roll	$200,000	$200,000
+/– 1/3 of the variation of value	-$10,000	$20,000
Adjusted value for 2011	$190,000	$220,000
Adjusted value for 2012	$180,000	$240,000
Adjusted value for 2013	$170,000	$260,000

Distribution of Property Values for Montréal

The following table provides a portrait of property values in each of Montréal's boroughs by property category.

Table 62
Taxable and Non-Taxable Values by Borough, Ville de Montréal

Boroughs	Unit	Taxable value ($M)			Non-taxable ($M)	Total of roll	
		Residential	Commercial, industrial	Vacant lot		Value ($M)	Relative share
Ahuntsic-Cartierville	27,871	9,930.3	1,856.2	140.5	2,539.7	**14,466.6**	7.3%
Anjou	13,003	3,295.3	1,482.5	31.8	266.0	**5,075.6**	2.6%
Côte-des-Neiges–Notre-Dame-de-Grâce	25,244	12,248.5	1,599.2	77.0	3,573.4	**17,498.1**	8.9%
Lachine	11,579	3,042.5	1,240.4	189.3	471.4	**4,943.6**	2.5%
LaSalle	17,501	5,523.4	1,093.3	80.9	790.6	**7,488.2**	3.8%
L'Île-Bizard–Sainte-Geneviève	6,468	1,974.1	83.0	39.9	138.4	**2,235.4**	1.1%
Mercier–Hochelaga-Maisonneuve	28,819	8,810.4	1,636.7	146.0	1,748.6	**12,341.6**	6.3%
Montréal-Nord	13,955	4,404.9	726.7	35.7	526.4	**5,693.8**	2.9%
Outremont	6,072	4,077.8	137.8	22.3	596.4	**4,834.4**	2.4%
Pierrefonds-Roxboro	20,770	5,517.9	282.9	123.6	550.7	**6,475.2**	3.3%
Plateau-Mont-Royal	23,813	9,495.9	2,146.8	44.4	1,560.9	**13,248.0**	6.7%
Rivière-des-Prairies–Pointe-aux-Trembles	32,906	7,900.0	1,217.8	263.9	1,475.3	**10,857.0**	5.5%
Rosemont–La Petite-Patrie	28,028	9,665.5	1,364.4	71.0	1,841.0	**12,941.9**	6.6%
Saint-Laurent	25,034	7,605.5	4,654.9	345.7	1,164.7	**13,770.8**	7.0%
Saint-Léonard	13,121	5,617.3	1,280.6	41.9	415.1	**7,354.8**	3.7%
Sud-Ouest	17,970	4,834.7	1,152.3	165.0	1,189.8	**7,341.9**	3.7%
Verdun	19,850	6,160.0	706.5	92.5	706.5	**7,665.4**	3.9%
Ville-Marie	30,651	10,071.9	15,730.9	166.9	6,671.6	**32,641.3**	16.5%
Villeray–Saint-Michel–Parc-Extension	23,903	7,689.8	1,645.2	43.7	1,176.1	**10,554.8**	5.3%
VILLE DE MONTRÉAL	**386,558**	**127,865.7**	**40,038.0**	**2,122.0**	**27,402.6**	**197,428.3**	**100.0%**

Source: Ville de Montréal, 2011-2013 Three-Year Assessment Roll, introduced September 15, 2010.

QUOTA SHARES

QUOTA SHARES

The Urban Agglomeration Council uses the quota share system to distribute the cost of expenditures resulting from the exercise of its authority among the related municipalities. The related municipalities can then collect the funds they need to pay their quota shares in accordance with their own tax policies. This chapter describes how the different kinds of quota shares are calculated.

The following table lists the various types of quota shares that the urban agglomeration charges the related municipalities. Detailed explanations are then provided. The types of quota shares to be used in 2011 are:

- General Quota Shares.
- Quota Shares for the Drinking Water Supply.
- Quota Shares to Contribute to the Water Financial Reserve.
- Quota Shares for Financing Investments Eligible for the TECQ (Government of Québec Fuel Tax and Contribution) Program.
- Quota Shares for Other Water Supply Costs.
- Quota Shares for the First Responder Service.
- Quota Shares for Arterial Road System Debts (2006-2008).

These quota shares are final, except quota shares for the drinking water supply.

Table 63
2011 Quota Shares

Related municipalities	Total		Quota Shares Distributed according to the General Quota Share Distribution Method					
			General		Water financial reserve		Other water supply costs	
	$	%	$	%	$	%	$	%
Montréal	**1,668,196,622**	***81.491***	**1,421,929,769**	***81.132***	**74,073,283**	***81.132***	**90,143,176**	***81.132***
Reconstituted municipalities								
Baie-D'Urfé	**10,412,078**	***0.509***	9,249,028	*0.528*	481,814	*0.528*	586,342	*0.528*
Beaconsfield	**18,870,154**	***0.922***	16,383,255	*0.935*	853,461	*0.935*	1,038,616	*0.935*
Côte-Saint-Luc	**26,759,662**	***1.307***	23,042,964	*1.315*	1,200,388	*1.315*	1,460,808	*1.315*
Dollard-Des Ormeaux	**37,098,365**	***1.812***	32,116,266	*1.832*	1,673,048	*1.832*	2,036,009	*1.832*
Dorval	**66,598,388**	***3.253***	58,931,144	*3.362*	3,069,929	*3.362*	3,735,937	*3.362*
Hampstead	**9,412,350**	***0.460***	8,188,586	*0.467*	426,572	*0.467*	519,115	*0.467*
L'Île-Dorval	**47,496**	***0.002***	42,215	*0.002*	2,199	*0.002*	2,676	*0.002*
Kirkland	**28,410,284**	***1.388***	24,960,663	*1.424*	1,300,288	*1.424*	1,582,380	*1.424*
Mont-Royal	**41,826,013**	***2.043***	36,389,697	*2.076*	1,895,666	*2.076*	2,306,923	*2.076*
Montréal-Est	**17,288,311**	***0.845***	14,759,120	*0.842*	768,854	*0.842*	935,654	*0.842*
Montréal-Ouest	**4,932,405**	***0.241***	4,337,422	*0.247*	225,951	*0.247*	274,971	*0.247*
Pointe-Claire	**56,421,695**	***2.756***	49,212,912	*2.808*	2,563,672	*2.808*	3,119,850	*2.808*
Senneville	**3,561,146**	***0.174***	3,117,052	*0.178*	162,378	*0.178*	197,605	*0.178*
Sainte-Anne-de-Bellevue	**9,136,972**	***0.446***	7,812,651	*0.446*	406,988	*0.446*	495,283	*0.446*
Westmount	**48,124,356**	***2.351***	42,145,501	*2.405*	2,195,506	*2.405*	2,671,812	*2.405*
Total reconstituted municipalities	**378,899,677**	***18.509***	**330,688,474**	***18.868***	**17,226,717**	***18.868***	**20,963,982**	***18.868***
Urban agglomeration of Montréal	**2,047,096,299**	***100.000***	**1,752,618,243**	***100.000***	**91,300,000**	***100.000***	**111,107,158**	***100.000***

Table 63 (continued)
2011 Quota Shares

Quota Shares Distributed according to the Specific Quota Share Distribution Method								
Drinking water supply		Works eligible under the TECQ Program		First responder service		Arterial road system debts		Related municipalities
$	%	$	%	$	%	$	%	
47,201,402	***91.650***			**5,288,822**	***82.213***	**29,560,169**	***92.183***	**Montréal**
								Reconstituted municipalities
		60,493	*2.924*	34,401	*0.535*			Baie-D'Urfé
		106,785	*5.161*	60,937	*0.947*	427,101	*1.332*	Beaconsfield
882,999	*1.715*	110,183	*5.325*			62,320	*0.194*	Côte-Saint-Luc
943,676	*1.832*	209,910	*10.145*	119,455	*1.857*			Dollard-Des Ormeaux
		362,427	*17.517*	219,193	*3.407*	279,757	*0.872*	Dorval
191,849	*0.373*	53,753	*2.598*	30,457	*0.473*	2,018	*0.006*	Hampstead
		249	*0.012*	157	*0.002*			L'Île-Dorval
		163,614	*7.908*	92,840	*1.443*	310,499	*0.968*	Kirkland
658,738	*1.279*	240,061	*11.603*	135,350	*2.104*	199,577	*0.622*	Mont-Royal
674,402	*1.309*	95,386	*4.610*	54,896	*0.853*			Montréal-Est
77,929	*0.151*			16,133	*0.251*			Montréal-Ouest
		320,959	*15.512*	183,046	*2.845*	1,021,257	*3.185*	Pointe-Claire
51,886	*0.101*	20,631	*0.997*	11,594	*0.180*			Senneville
140,182	*0.272*	48,552	*2.347*	29,059	*0.452*	204,258	*0.637*	Sainte-Anne-de-Bellevue
678,737	*1.318*	276,040	*13.341*	156,759	*2.437*			Westmount
4,300,398	***8.350***	**2,069,042**	***100.000***	**1,144,278**	***17.787***	**2,506,788**	***7.817***	**Total reconstituted municipalities**
51,501,800	***100.000***	**2,069,042**	***100.000***	**6,433,100**	***100.000***	**32,066,957**	***100.000***	**Urban agglomeration of Montréal**

General Quota Shares

General quota shares are used to fund expenditures falling under the authority of the Urban Agglomeration Council, except for those expenditures already covered by specific quota shares (those pertaining to water, work eligible under the TECQ program [Government of Québec Fuel Tax and Contribution], the first responders and arterial road system debts). General quota shares for 2011 stand at $1,752.6 million.

The following table lists activities funded by general quota shares. This information enables each of the related municipalities to calculate its contribution to general urban agglomeration expenditures by activity.

Table 64
2011 General Quota Shares by Activity

Activities	%
General administration	
Assessment	1.09
Other	10.16
Public security	
Police	29.31
Fire protection (except first reponders)	16.45
Emergency preparedness	0.06
Other	0.37
Transportation	
Road network	0.07
Public transit	24.06
Other	0.47
Environmental hygiene	
Solid waste	4.19
Environmental protection	0.33
Health and welfare	
Social housing	0.23
Other	0.11
Urban planning and development	
Urban planning and zoning	0.14
Urban renewal	0.30
Promotion and economic development	1.07
Other	0.01
Recreation and culture	
Recreational activities	1.35
Cultural activities	2.53
Sub-total	**92.28**
Financial activities	**7.72**
Total	**100.00**

These expenditures are distributed among the related municipalities in proportion to their respective fiscal potentials, calculated according to rules defined by the *Arrêté de la ministre des Affaires municipales et des Régions en date du 26 novembre 2008* (Order in Council of the Minister of Municipal Affairs and Regions, dated November 26, 2008).

Specific Quota Shares

Quota Shares for the Drinking Water Supply

The actual costs pertaining to the water supplied by the city to the reconstituted municipalities and within the city itself are shared by means of specific quota shares calculated on the basis of actual consumption.

In fiscal 2011, the estimated cost of supplying drinking water stands at $51.5 million. The rate that will be used for invoicing provisional quota shares has been set at $0.1088 per cubic metre and will apply in the 2011 Budget to the actual consumption of municipalities served by Montréal's drinking water production plants. These quota shares will be revised based on actual consumption and cost, once they are known at the end of fiscal 2011.

Quota Shares for the Contribution to the Water Financial Reserve

Quota shares for upgrading the water supply system stand at $91.3 million in the 2011 Budget, in line with the city's action priorities.

These expenditures are distributed among the related municipalities in the same manner as are the general quota shares.

Quota Shares for Financing Investments Eligible for the TECQ (Government of Québec Fuel Tax and Contribution) Program

The related municipalities have shared the cost of financing work performed on the water supply and treatment system since 2006. These projects are eligible for funding under the TECQ (Government of Québec Fuel Tax and Contribution) transfer program. Every year, each related municipality must decide whether to pay its share of expenditures for work performed the previous year up front or to stagger payment over 20 years by disbursing a specific quota share. The latter option lets the related municipalities pay their shares of eligible work performed from 2006 to 2009 gradually. These quota shares stand at $2.1 million in the 2011 Budget.

Quota Shares for Other Water Supply Costs

Other water supply costs are also funded by specific quota shares. These costs are distributed among the related municipalities in the same manner as the general quota shares. They stand at $111.1 million.

Quota shares for other water supply costs, as well as those for the water supply system, for the contribution to the Water Financial Reserve and for the TECQ (Government of Québec Fuel Tax and Contribution) transfer program are equivalent to the urban agglomeration's total water costs.

Quota Shares for the First Responder Service

Public safety is a responsibility of the urban agglomeration, except for the Côte-Saint-Luc first responder service.[1] The Ville de Côte-Saint-Luc thus shoulders the cost of its first responder service and does not contribute to the funding of such services elsewhere in the urban agglomeration.

Some $6.4 million in expenditures net of subsidies have been earmarked for first responder service on the Island of Montréal, except that of Côte-Saint-Luc. These expenditures are distributed among the related municipalities in the same manner as general quota shares, with the exception of Côte-Saint-Luc.

Quota Shares for Arterial Road System Debts (2006-2008)

An Act to amend various legislative provisions concerning Montréal (Bill 22) considerably limits Urban Agglomeration Council responsibility for the arterial road system. The related municipalities have in other words inherited the responsibility for maintaining these roads. Under this principle, the law provides that any debt for fiscal 2006, 2007 or 2008 for capital works on the arterial road system will be funded by specific quota shares paid by the municipalities in which the work is performed. The related municipalities in which work on the arterial road system was performed and not paid in full, use quota shares to pay expenditures pertaining to the remaining debt. These quota shares stand at $32.1 million in the 2011 Budget.

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[1] See *An Act to amend various legislative provisions concerning Montréal* (Bill 22), adopted June 20, 2008.

SUPPLEMENTARY INFORMATION

REVIEW OF EXPENDITURES AND FINANCING BY ITEM

Presentation of expenditures by item, pursuant to the *Manuel de la presentation de l'information financière municipale* of the ministère des Affaires municipales, des Régions et de l'Occupation du territoire (MAMROT), provides economic information on goods and services acquired and on financing.

Chart 10
Expenditures by Item

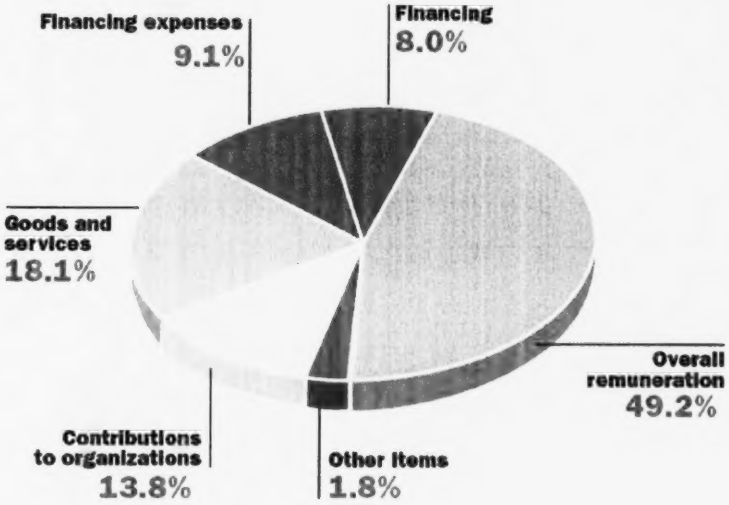


Table 65
Review of Expenditures and Financing by Item

(In thousands of dollars)

	2010 Restated	**2011 Budget**	% Change
Expenditures			
Remuneration			
- elected officials	9,478.1	**9,352.1**	(1.3)
- employees	1,409,840.5	**1,489,378.3**	5.6
	1,419,318.6	**1,498,730.4**	5.6
Employer contributions	574,164.0	**720,968.5**	25.6
Transportation and communication	39,951.3	**41,151.3**	3.0
Professional services	51,186.1	**39,637.7**	(22.6)
Technical and other services	306,296.3	**313,748.7**	2.4
Leasing, maintenance and repair	169,462.0	**169,019.1**	(0.3)
Non-durable goods	232,665.6	**231,724.2**	(0.4)
Durable goods	23,788.3	**21,986.0**	(7.6)
Financing expenses	418,764.4	**410,835.5**	(1.9)
Contributions to organizations	590,971.9	**620,682.7**	5.0
Other items	153,970.2	**79,911.3**	(48.1)
Total expenditures	3,980,538.7	**4,148,395.4**	4.2
Financing			
Long-term financing of operating activities	(39,400.0)	**(7,676.5)**	(80.5)
Repayment of long-term debt	352,119.5	**366,188.8**	4.0
Total financing	312,719.5	**358,512.3**	14.6
Total expenditures and financing	4,293,258.2	**4,506,907.7**	5.0

Remuneration

Global remuneration in the 2011 Budget, which includes pay and employer contributions, stands at $2,219.7 million, up $226.2 million from 2010. This increase is due to salary modifications (indexing and pay scale adjustment), changes in different government plans and employee benefits, as well as the creation of new positions. The "Global Remuneration" heading in this section (page 160) discusses key factors involved in this change.

Transportation and Communications

Funding for this item in the 2011 Budget stands at $41.2 million, up $1.2 million with respect to the 2010 Restated Budget. This increase is primarily due to an allocation of $0.6 million that will be used for drinking water supply activities.

Professional Services

The $39.6 million appropriation in the 2011 Budget is down $11.5 million (-22.6%) with respect to the 2010 Restated Budget. This decrease is partly due to the consolidation of different departments following the large administrative reorganization launched in 2010, as well as by the internal enhancement of human resources assigned to contract and project management and to other municipal asset management programs.

Technical and Other Services

The $313.7 million appropriation in the 2011 Budget for Technical and Other Services is up $7.5 million from 2010. This change is due to various borough and city department projects. The borough budget for Technical and Other Services stands at $166.6 million, up $2.3 million and due to such factors as:

- Additional funding of $0.8 million allocated for maintenance of the Quartier des spectacles, in Ville-Marie.
- A supplementary $1 million injection in Côte-des-Neiges–Notre-Dame-de-Grâce to manage the future sports centre structure that will become operational in the 2011 Budget.
- A further allocation of $0.6 million for park maintenance in Villeray–Saint-Michel–Parc-Extension.

In the case of city departments and other budget items, the allocation for Technical and Other Services is $147.2 million, up $5.2 million. This change is primarily due to the following factors:

- An additional $3.3 million in funding for maintaining and inspecting the secondary water supply and sewage systems in conjunction with the boroughs.
- A supplementary $2.1 million in funding for the Montréal Nature Museums business plan, which includes construction of the new Planetarium, in accordance with its plan to raise its profile as a tourist attraction.
- A $0.9 million reduction primarily due to a decrease in SAAQ rates for services billed to the Ville de Montréal.

Leasing, Maintenance and Repair

The budget for leasing expenditures is $169 million and has remained relatively unchanged with respect to 2010 Restated Budget, declining $0.4 million.

Non-Durable Goods

The 2011 Budget appropriation for this item is $231.7 million or $0.9 million less than in 2010. The change is primarily due these factors:

- An improved water purification process that has permitted savings of $1.5 million on chemical products.
- Energy savings of $0.5 million.

- A $1.2 million allocation for purchasing a water and sewage system activity maintenance application.

Durable Goods

This budget stands at $22 million in the 2011 Budget, down $1.8 million, largely due to a $1.5 million decline in funding for purchasing wheeled bins, under the deployment plan for the new solid waste collection system, which concludes in 2011.

Financing expenses

Financing expenses stand at $410.8 million, down $7.9 million from 2010. This change is primarily due to the lower interest rates available to the city for refinancing existing debt and for obtaining new loans.

Contributions to Organizations

This budget is $620.7 in the 2011 Budget, up $29.7 million from that of 2010. This change is primarily due to the following factors:

- A $15.3 million increase in the city's contribution to the Société de transport de Montréal (STM) and a $3.6 million rise in its contribution to the Agence métropolitaine de transport (AMT). Please refer to Table 16 (Change in Contributions and Expenditure to be Financed by Quota Shares) on page 46.
- Additional funding of $5.2 million for the *Success@Montreal—Industry* program.
- An additional injection of $1 million for the war against poverty and social exclusion, under an agreement renewed with the ministère de l'Emploi et de la Solidarité sociale.
- A $5.5 million increase in the budgets for different municipal projects that will be financed by the Government of Québec, under the memorandum of understanding pertaining to the *Imagining-Building Montréal 2025* development strategy.
- A $1.8 million reduction in the city's contribution to the related municipalities, due to the expiration of their solid waste disposal contracts, which will now be handled by the central city.

Other Expenditure Items

The $79.9 million in the 2011 Budget is down 48.1% from 2010. This large reduction attests to the Administration's commitment to cut expenditures during the course of fiscal 2011 as a result of its optimization projects.

Long-Term Financing of Operating Activities

This item represents the amount of debt needed to defray certain current expenditures appearing in the Operating Budget. In 2011, funding of $7.7 million will serve to purchase the recycling bins required for the new solid waste collection system.

Repayment of long-term debt

Repayment of long-term debt, which comprises the cost of repaying principal and the cost of contributions to the amortization fund, stands at $366.2 million in the 2011 Budget. This $14.1 million rise reflects the impact of increased borrowing. This increase is partly offset by the maturation of other debts.

GLOBAL REMUNERATION

Global remuneration is the budget's largest expenditure item. The following table presents the key wage bill components: remuneration and employer contributions. The latter include city contributions to various government plans (employee benefits), the Régie des rentes, the Québec parental insurance plan and employment insurance, as well as various fringe benefits, such as retirement plans and group insurance.

Global remuneration totals $2,219.7 million in the 2011 Budget or 49.3% of the city's Global Operating Expenditures Budget. This represents a rise of some $226.2 million (+11.3%) over the 2010 Restated Budget.

Table 66
Payroll Components
(In thousands of dollars)

	2010 Restated	2011 Budget	% Change	Relative %
Remuneration	1,419,318.6	**1,498,730.4**	5.6 %	67.5 %
Fringe benefits	159,142.4	**166,096.9**	4.4 %	7.5 %
Employee benefits				
Pension plans (current service)	205,972.7	**204,007.8**	-1.0 %	9.2 %
Other pension plan expenditures	137,897.3	**272,598.3**	97.7 %	12.3 %
Group insurance	68,066.7	**75,090.5**	10.3 %	3.4 %
Other benefits	3,084.9	**3,175.0**	2.9 %	0.1 %
	415,021.6	**554,871.6**	33.7 %	25.0 %
Total	1,993,482.6	**2,219,698.9**	11.3 %	100.0 %

The main differences in global remuneration are:

- An increase of $35.7 million, due to the indexing of employee salaries.
- A $15.4 million rise due to the progression of employees within their pay scales.
- A decline of some $1.2 million due to the agreement between Montréal and the Government of Québec concerning transfer to the latter of responsibility for administering income security operations within the former city.
- Additional remuneration of nearly $35 million to cover new jobs.
- An $8.8 million increase generated by certain union agreements and awards, as well as by such adjustments as the change in pay equity funding.

- A $135 million rise in retirement plan expenditures, as follows:
  - An additional $13 million based on new actuarial estimates, as at December 31, 2009, resulting from more conservative economic and demographic assumptions and in particular assumptions pertaining to expected returns and mortality.
  - An $82 million increase due to the impact of the 2008 financial crisis on smoothed asset value. This impact was mitigated, however, by the better-than-expected performance of 2009.
  - A $40 million adjustment in the accounting treatment of asset limits. This adjustment has, however, been offset by a positive allocation of $40 million equal to the amount forecast for the future, thus having no impact on financed expenditures.

The city also plans to use $28 million for additional tax relief initiatives, as permitted by MAMROT, for a net increase in the 2011 Budget of some $66 million in expenditures to be financed.

Table 67
Analysis of Remuneration and Employer Components

(In thousands of dollars)

			Employer contributions		
	Authorized structures	**Remuneration**	**Payroll taxes**	**Employee benefits**	**Total compensation**
	p.y.	**$000**	**$000**	**$000**	**$000**
Elected officials	103.0	9,352.1	799.7	2,341.6	**12,493.4**
Managerial staff and foremen	2,090.3	199,244.6	19,909.0	80,598.8	**299,752.4**
Professional and white-collar employees	7,825.9	455,556.0	55,376.4	159,947.2	**670,879.6**
Blue-collar employees	4,499.7	250,248.0	34,026.1	93,246.7	**377,520.8**
Police officers	4,201.0	365,731.8	32,429.5	149,116.8	**547,278.1**
Firefighters	2,392.0	189,550.3	19,877.8	66,147.8	**275,575.9**
School-crossing guards	224.4	6,108.2	670.8	0,0	**6,779.0**
Total	21,336.3	1,475,791.0	163,089.3	551,398.9	**2,190,279.2**
Income security[1]		22,939.4	3,007.6	3,472.7	**29,419.7**
Total	21,336.3	1,498,730.4	166,096.9	554,871.6	**2,219,698.9**

[1] Under the agreement between Montréal and the Government of Québec, the latter has administered income security operations within the former city since of 2008. City employees working in this sector are loaned to the Government of Québec in exchange for financial compensation. These employees are not part of the city's workforce, but their pay appears in the Expenditure Budget.

CHANGE IN WORKFORCE SIZE

The authorized Operating Budget structure stands at 21,336.3 person-years in the 2011 Budget, representing a net 531.4 person-years increase over the 2010 Restated Budget.

Change in Borough Workforce Size

Borough workforce size is up 130.5 person-years from the 2010 Restated Budget. These new positions will help improve public services (including parks and sports and cultural facilities) and cleanliness.

Change in City Department Workforce Size

The city department workforce is up 400.9 person-years with respect to the 2010 Restated Budget. More than 80 positions have been added to strengthen this workforce and improve public services. These efforts include the creation of the Service du contrôleur général (controller general). Fourteen jobs have also been established following creation of the Bureau du plan (planning), in the Direction générale (general administration).

Other important changes included the addition of some 70 jobs aimed at providing better support for new filtration plant processes and for upgrading water distribution and treatment infrastructure. They also include the addition of 11 jobs in the Direction des communications (communications) to normalize the situations of employees on availability. An additional 17 positions in Affaires juridiques (legal affairs) will help speed the handling of cases.

The Service de la sécurité incendie (fire protection) has been allocated an additional 62.7 positions, primarily to proceed with implementation of risk coverage plan. Furthermore, 43.9 police officers have been added to the SPVM.

Table 68

Distribution of Human Resources Throughout the Organizational Structure

(In person-years)

	2010 Restated	**2011 Budget**	Change 2011-2010 p.y.	Change 2011-2010 %
Boroughs				
Ahuntsic-Cartierville	397.8	**405.0**	7.2	1.8
Anjou	201.0	**203.5**	2.5	1.2
Côte-des-Neiges–Notre-Dame-de-Grâce	472.6	**473.6**	1.0	0.2
Lachine	253.5	**255.5**	2.0	0.8
LaSalle	298.6	**295.6**	(3.0)	(1.0)
L'Île-Bizard–Sainte-Geneviève	94.1	**93.1**	(1.0)	(1.1)
Mercier–Hochelaga-Maisonneuve	505.4	**524.0**	18.6	3.7
Montréal-Nord	339.5	**341.7**	2.2	0.6
Outremont	98.5	**102.5**	4.0	4.1
Pierrefonds-Roxboro	256.9	**264.0**	7.1	2.8
Plateau-Mont-Royal	404.5	**433.0**	28.5	7.0
Rivière-des-Prairies–Pointe-aux-Trembles	387.0	**392.9**	5.9	1.5
Rosemont–La Petite-Patrie	556.2	**561.7**	5.5	1.0
Saint-Laurent	524.0	**535.3**	11.3	2.2
Saint-Léonard	269.5	**269.5**	-	-
Sud-Ouest	399.2	**405.0**	5.8	1.5
Verdun	295.7	**307.3**	11.6	3.9
Ville-Marie	508.5	**522.3**	13.8	2.7
Villeray–Saint-Michel–Parc-Extension	421.7	**429.2**	7.5	1.8
Total for boroughs	6,684.2	**6,814.7**	130.5	2.0
Central departments				
Direction générale	802.0	**846.4**	44.4	5.5
Affaires juridiques et Évaluation foncière	660.8	**690.8**	30.0	4.5
Capital humain	109.0	**116.0**	7.0	6.4
Commission de la fonction publique	6.0	**6.0**	-	-
Commission des services électriques[1]	62.0	**68.0**	6.0	9.7
Concertation des arrondissements et des ressources matérielles	1,131.2	**1,140.0**	8.8	0.8
Contrôleur	9.0	**22.0**	13.0	144.4
Développement et opérations	1,184.2	**1,262.3**	78.1	6.6
Eau	787.1	**857.1**	70.0	8.9
Finances	495.0	**505.0**	10.0	2.0
Police	5,636.6	**5,684.5**	47.9	0.8
Secrétariat de liaison	5.0	**5.0**	-	-
Sécurité incendie	2,766.2	**2,828.9**	62.7	2.3
Technologies de l'information	430.6	**454.6**	24.0	5.6
Vérificateur général	36.0	**35.0**	(1.0)	(2.8)
Total central departments	14,120.7	**14,521.6**	400.9	2.8
Total	20,804.9	**21,336.3**	531.4	2.6

Table 69

Distribution of Human Resources Throughout the Organizational Structure – *Directions*

(In person-years)

	2010 Restated	2011 Budget	Change 2011-2010 p.y.	Change 2011-2010 %
Directions				
Direction générale				
- Direction	7.0	**6.0**	(1.0)	(14.3)
- Direction générale associée - Concertation des arrondissements et des ressources matérielles	5.0	**7.0**	2.0	40.0
- Direction générale associée - Développement et opérations	7.0	**7.0**	-	-
- Affaires institutionnelles	21.1	**25.1**	4.0	19.0
- Bureau du plan	0,0	**14.0**	14.0	-
- Communications	87.2	**107.2**	20.0	22.9
- Greffe	248.1	**253.1**	5.0	2.0
- Muséums nature	426.6	**427.0**	0.4	0.1
Total	802.0	**846.4**	44.4	5.5
Concertation des arrondissements et des ressources matérielles				
- Approvisionnement	106.7	**115.7**	9.0	8.4
- Immeubles	406.1	**407.9**	1.8	0.4
- Matériel roulant et ateliers municipaux	446.0	**442.0**	(4.0)	(0.9)
- Propreté et déneigement	10.0	**11.0**	1.0	10.0
- Relations avec les citoyens – 311	54.7	**54.7**	-	-
- Stratégies et transactions immobilières	107.7	**108.7**	1.0	0.9
Total	**1,131.2**	**1,140.0**	8.8	**0.8**
Développement et opérations				
- Direction	10.5	**10.0**	(0.5)	(4.8)
- Administration	82.5	**89.0**	6.5	7.9
- Culture et patrimoine	201.2	**206.5**	5.3	2.6
- Développement économique et urbain	84.4	**97.7**	13.3	15.8
- Diversité sociale	23.5	**27.5**	4.0	17.0
- Environnement et développement durable	287.3	**301.3**	14.0	4.9
- Grands parcs et verdissement	119.8	**125.8**	6.0	5.0
- Habitation	85.0	**90.0**	5.0	5.9
- Sports	131.4	**132.9**	1.5	1.1
- Transport	91.1	**94.1**	3.0	3.3
- Travaux publics	67.5	**87.5**	20.0	29.6
Total	1,184.2	**1,262.3**	78.1	6.6

Notes on Table 68:

[1] In addition to a workforce of 68 person-years paid out of its operating budget, the Commission des services électriques (electrical service commission) also has a labour pool of 59 person years assigned to capital works projects.

Other notes:

- Under the agreement between Montréal and the Government of Québec, the latter has administered income security operations within the former city since 2008 in exchange for financial compensation. Funding in the 2011 Budget will, accordingly, include remuneration equivalent to 422.0 person-years.
- These authorized structures only represent person-years that are financed out of the Operating Budget.
- If an activity is carried out on behalf of multiple units, the entire expenditure budget is distributed among those units. The workers, who perform the activity, however, all appear in the Service Provider Budget. For example, the structure of the Rosemont–La Petite-Patrie borough contains 149.4 person-years of workers who perform marking and signage operations throughout the former Ville de Montréal.

APPENDICES

PRESENTATION FORMAT FOR BUDGET INFORMATION AND STANDARD ACCOUNTING PRACTICES FOR THE OPERATING BUDGET

Montréal has adopted the general budget and accounting practices set out in the *Manuel de la présentation de l'information financière* published by the ministère des Affaires municipales, des Régions et de l'Occupation du territoire (MAMROT). Budget figures are presented by category for revenues and by category and activity for expenditures:

- In the City Council Budget, for local areas of responsibility.
- In the Urban Agglomeration Council budget, for urban agglomeration areas of responsibility.

Financial data also appear by business unit, in accordance with the city's organizational structure.

At the same time, the city Administration has decided to use municipal corporate funds and internal department funds to control certain of its activities. These funds serve to include revenues and expenditures associated with commercial activities or certain services provided by one administrative unit to another within the city (internal billing), particularly with respect to building tenancy and the use of mobile support equipment. To simplify presentation of the budget data, these funds are separately detailed in this document. To faithfully present the city's levels of revenues and expenditures for tax purposes, these internal and inter-entity transactions are deducted from the total so that they will not be counted twice.

A statement of revenues and expenditures relating to Water Fund operations and a summary of capital work activities relating to the Investment Fund are also presented in separate appendices of this document.

Presentation of Operating Expenditures and Revenues

Revenues fall under the following five headings:

- **"Taxes"** comprises all revenues from taxation and fee schedules for water and solid waste treatment services.
- **"Payments in Lieu of Taxes"** encompasses revenues from owners of non-taxable properties that are subject to compensation in lieu of taxes. *An Act respecting municipal taxation* identifies these properties and sets out the various compensation amounts applicable to each case.
- **"Quota Shares"** comprises the amounts paid by member municipalities to fund activities falling under the authority of the Urban Agglomeration Council.
- **"Services Rendered and Other Revenues"** covers revenues from services provided to municipal organizations and to third parties, as well as other kinds of revenues.
- **"Transfers"** includes all grants from the government, from other public organizations and from private enterprise.

Expenditures are presented by both function and by activity.

- The "General Administration" function includes the set of activities pertaining to municipal management and administration. Expenditures are primarily associated with operations of the City Council, the Urban Agglomeration Council and the 19 borough councils, as well as law enforcement and financial, administrative and human resources management.
- The "Public Security" function encompasses expenditures for the protection of individuals and property, such as surveillance, prevention activities and emergency preparedness measures.
- The "Transportation" function covers all activities involved in the planning, organization and maintenance of the roadways, transportation of people and goods and public transit.
- The "Environmental Hygiene" function takes in all expenditures for water and sewers, solid waste management and environmental protection.
- The "Health and Welfare" function includes all public hygiene and welfare services for individuals, particularly in terms of social and affordable housing.
- The "Urban Planning and Development" function covers all economic activities for the development and maintenance of city planning activities or the urban plan, along with funding of the city's economic and tourism development programs.
- The "Recreation and Culture" function comprises all program planning, organization and management activities pertaining to recreation and culture in support of resident quality of life and integration of cultural communities.
- The "Financing Expenses" function comprises interest charges and other loan-related costs.

STATEMENT OF ACCOUNTING PRINCIPLES USED IN PREPARING THE OPERATING BUDGET

The city's budget basis is comparable to the accounting base, with certain exceptions explained at the end of this section. The budget basis comprises and relies on the following accounting principles:

Accounting Method

Transactions are recorded in the city's books using the accrual basis of accounting. Under this method, revenues and expenditures are recognized in the year in which the events and transactions occur.

Transfer Revenues

Transfer revenues (grants) are recognized in the Statement of Operating Activities for Tax Purposes or in capital works activities (TCWP) in the fiscal period that give rise to events warranting the transfers, as long as the city has met the eligibility criteria set out in the governmental programs.

Capital Expenditures and Amortization

Capital expenditures are recorded at cost and amortized on a straight-line basis over their estimated service lives.

Costs Resulting from Pension Plans and Other Future Employee Benefits

Expenditures for retirement plans with set benefits and other future employee benefit plans primarily consist of the cost of benefits accumulated under the plan for services rendered by current employees, the amortization of actuarial gains and losses over the average remaining service period of current employees and the interest cost of retirement benefits.

The expenditure figure for retirement plans with set benefits corresponds to city contributions for services provided by the employees.

Landfill Closure and Post-Closure Costs

For an estimated period of 20 years, the city will assume closure and post-closure costs for landfills that it has previously operated. To meet these obligations, the city has, over the years, created a reserve to finance closure and post-closure costs. Such costs are equal to the present value of the cost of final site recovery and for monitoring and maintenance expenses of collection and treatment systems for biogases and leachates.

Since 2009, following the ordered termination of landfill activities at the primary controlled landfill site as at December 31, 2008, closure and post-closure costs for this site have been entirely funded by this provision.

Repayment of Long-Term Debt

This item, presented under the "Financing" heading, represents the repayment of loans and payments to the sinking fund with respect to loans taken out for capital acquisitions.

Repayment of Capital

This item, presented under the "Allocations" heading, represents the repayment of loans obtained for the long-term financing of operating activities.

Amounts Forecast for the Future

The city has included future allocations corresponding to the net balance of operating expenditures that are to be taxed in future years in its reported financial information. These amounts have been amortized and appear under the "Allocations" headings in the Statement of Operating Activities for Tax Purposes, over estimated periods through 2020. These allocations pertain to:

- Application of transitional measures related to changes to accounting policies that occurred in 2000 (amortization over an estimated period to 2020).
- Initial obligation with respect to fringe benefits (amortization of retirement plans over an estimated period to 2017).
- Amortization of items that should usually be allocated within a single fiscal period, as with modifications or enhancements to the retirement plans.

Foreign Currency Conversion

Revenues and expenditures resulting from transactions in foreign currencies are converted into Canadian dollars at the transaction date's prevailing rate. Investments and loans denominated in foreign currencies are converted using the balance sheet date's prevailing exchange rates. The repayment of loans and payments to the Sinking Fund relating to loans denominated in foreign currencies are converted using the transaction date's prevailing exchange rate. Gains and losses resulting from the difference between the historical foreign exchange rate and the foreign exchange rate in effect at the date of repayment or payment are charged to revenues and expenditures in the Statement of Operating Activities for Tax Purposes.

The foreign exchange gain or loss associated with a long-term monetary item denominated in a foreign currency (but not covered by a contract providing protection against the risk of exchange rate fluctuation) is recognized as a deferred item and charged in the Statement of Operating Activities for Tax Purposes, using the straight-line method.

Elimination of Internal Transactions and Inter-Entity Transactions

Activities requiring internal billing between two business units within the city are eliminated in the Statement of Operating Activities for Tax Purposes to avoid counting such revenues and expenditures twice in the city's Global Budget.

Derivative Financial Instruments

The city employs derivative financial instruments, such as currency exchange and interest rate contracts, to reduce the currency exchange and interest risks on its long-term debt. It does not employ derivative financial instruments for conducting transactions or for speculative purposes.

Profits or losses under foreign currency swap contracts relating to loans in foreign currency are reported in the same period as currency exchange profits and losses associated with the corresponding debt and serve to reduce the latter.

Interest rate swaps resulting from interest rate swap contracts are recorded as adjustments to financing expenses.

Difference between the Budget Basis and the Accounting Basis

The budget basis differs slightly from the financial statements with respect to the following:

- An average rate per union accreditation is used to calculate most of the cost of employer contributions. However, the expense is recorded as a real cost for certain kinds of contributions (such as the Québec Pension Plan and employment insurance).
- The financial impact of issues that could affect multiple business units (central departments or boroughs), such as those pertaining to the renewal of collective agreements or the implementation of cost-saving projects, may be budgeted under a corporate budget item, while the actual cost of such impact will be directly charged to the various business entities concerned.

SHARING OF POWERS AND PREPARING THE BUDGET

Pursuant to the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* and the *Act respecting the exercise of certain municipal powers in certain urban agglomerations*, the city's powers of administration are divided among the urban agglomeration and local authorities. As the central city of this urban agglomeration, Montréal continues to provide services and to manage collective equipment for all island residents, within the city itself and within the 15 reconstituted municipalities.

These common services are provided by Ville de Montréal employees. Since 2009, the Island of Montréal's 16 related municipalities will be required to fund all shared services that fall under the Urban Agglomeration Council's authority with quota shares. This system of funding urban agglomeration responsibilities results from legislative changes introduced by *An Act to amend various legislative provisions concerning Montréal (Bill 22)* that was adopted in June 2008.

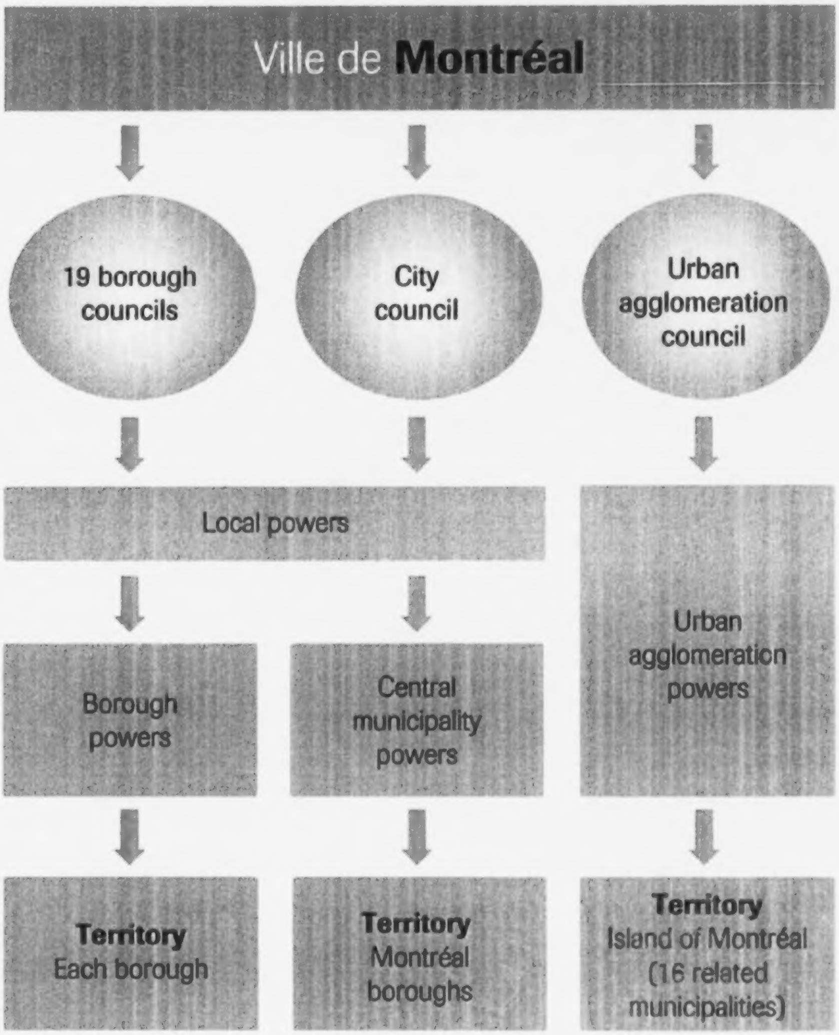
This Act also makes changes to items falling under the Urban Agglomeration Council's authority. Arterial road system activities, for example, will now be under local authority, except for the definition of management and harmonization standards, general planning of the system and certain work that remains under the urban agglomeration's responsibility.

Furthermore, several items have been removed from the list of equipment, infrastructure and activities of collective interest set out in the Appendix to the *Order in Council concerning the urban agglomeration of Montréal* (No. 1229-2005 and amendments), such as several large parks, cultural facilities, celebrations and festivals. Appendix 3 itemizes the items that remain under the urban agglomeration's responsibility.

Political Entities and Territories of Application

The following figure illustrates how responsibilities are distributed within the city, the political entities in charge of these responsibilities and the territories to which such responsibilities apply.

Figure 5
Sharing of Powers – Political Entities and Territories of Application


Ville de Montréal
19 borough councils
City council
Urban agglomeration council
Local powers
Urban agglomeration powers
Borough powers
Central municipality powers
Territory Each borough
Territory Montréal boroughs
Territory Island of Montréal (16 related municipalities)

Montréal Urban Agglomeration Council

The urban agglomeration is responsible for services provided to all island residents. These responsibilities are exercised by the Urban Agglomeration Council. This municipal political entity and decision-making body holds the authority to adopt any by-law, to authorize any expenditure and to levy any quota share throughout the Island of Montréal.

The Urban Agglomeration Council is designed to have a simple and democratic structure. Montréal's mayor selects representatives to accompany him to the Urban Agglomeration Council. Their briefs are set by the City Council, which defines the positions to be taken by its elected officials at the Urban Agglomeration Council. The same rule applies for the mayors of the reconstituted municipalities, who are bound by the guidelines of their respective city councils. A total of 31 elected officials sit on the Urban Agglomeration Council. They are:

- The mayor of Montréal, who is its chair.
- 15 elected officials from Montréal's City Council, who are appointed by the mayor.
- 14 mayors of the reconstituted municipalities (Île-Dorval and Dorval share one representative), one of whom is appointed as vice-chair.
- An additional representative from Dollard-Des Ormeaux (because of the size of its population), who is appointed by the mayor of this municipality.

The representation of each of the 16 related municipalities within this council is proportional to its demographic weight. Montréal has a weight of 87% and the 15 reconstituted municipalities have 13%.

The following table summarizes the Urban Agglomeration Council's powers.

City Council and Borough Councils

Furthermore, in accordance with the various areas of activity defined in the *Charter of Ville de Montréal*, the city's local powers are distributed among the City Council and the borough councils.

The Montréal City Council continues to assume its responsibility toward local powers within the city, which will now have 19 boroughs. The borough councils are responsible for delivering their own local services.

The City Council now consists of the city mayor, plus 64 city councillors, 18 of whom are borough mayors. A borough council will have at least five members. These members include the borough mayor, its one or more city councillors and any borough councillors. There are now 19 boroughs, with 46 councillors, who also sit on the City Council and 38 borough councillors.

Table 70

Summary of Powers Falling under the Urban Agglomeration Council or the City and Borough Councils

Urban Agglomeration Powers	Local Powers
▪ Property assessment ▪ Police, fire and emergency preparedness services ▪ First responder services, except in Côte-Saint-Luc ▪ 9-1-1 emergency centre ▪ Implementation of fire coverage and public safety plans ▪ Municipal Court ▪ Social housing ▪ Assistance to the homeless ▪ Prevention and elimination of substance abuse and prostitution ▪ Waste disposal and reclamation, along with management of any hazardous substances ▪ Formulation and adoption of a solid waste management plan ▪ Municipal waterways ▪ Water supply and purification, except local mains ▪ Public transit ▪ Definition of minimum standards for the management and general planning of the arterial road system and work on specified roadways ▪ Economic and tourist promotion outside the limits of the related municipality ▪ Tourist information services ▪ Industrial parks ▪ Conseil des arts de Montréal (arts council) ▪ Equipment, infrastructure and activities of collective interest designated in the *Order in Council concerning the urban agglomeration of Montréal* (No. 1229-2005 and modifications) ▪ Contribution for Financing Montréal's Nature Museums Deficit ▪ Any other responsibilities formerly under the jurisdiction of an urban community in the event that the city took the place of the latter.	▪ Land use planning ▪ Building, public nuisance and public health regulations ▪ Housing ▪ Fire protection and emergency preparedness ▪ Waste collection and transportation ▪ Local and arterial road management ▪ Local water mains and sewer lines ▪ Local sports and recreational facilities ▪ Local libraries ▪ Local parks ▪ Local economic, community, cultural and social development ▪ Heritage ▪ The Commission des services électriques (electrical service commission) ▪ The Sociétés de développement commercial (SDCs) ▪ Industrial parks listed in by-law RCG-06-020 ▪ Election organization

Preparing the Budget

The Ville de Montréal has produced an integrated 2011 Global Budget consistent with its organizational structure. The Global Budget is presented in two ways: (1) by financial activity in terms of the city's organizational structure (that is, by city department and by borough), pursuant to the *Manuel de la présentation de l'information financière municipale* published by the ministère des Affaires municipales, des Régions et de l'Occupation du territoire (MAMROT) and (2) by expenditure by item.

Since the city's administrative powers are shared between the Urban Agglomeration Council and local authorities, pursuant to the existing governance model, the city has also prepared the budget based on urban agglomeration and local powers (the budgets of the Urban Agglomeration Council and of the City Council) and has presented these two separate budgets by financial activity.

Legal Framework

The *Act respecting the exercise of certain municipal powers in certain urban agglomerations* sets certain specific obligations for the central city with respect to the expenditures it makes in exercising urban agglomeration powers.

Among its stipulations, the law provides that:

- Expenditures incurred by the central city in exercising urban agglomeration powers are treated separately from those incurred in exercising local powers.
- Expenditures incurred by the central city in exercising both urban agglomeration powers and local powers are mixed expenditures.
- The Urban Agglomeration Council sets criteria by by-law to determine what portion of a mixed expenditure constitutes an expenditure incurred in exercising urban agglomeration powers.
- Revenues follow the same rules as expenditures. Thus, central city revenues that are generated by exercising an urban agglomeration power must be assigned to financing expenditures incurred in exercising that power.

Flexible, Effective and Efficient Approach

The Ville de Montréal, in its role as the central city, discharges its responsibilities pertaining to the exercise of urban agglomeration powers, while at the same time providing its residents with services falling under its local powers. All such services, whether associated with exercising agglomeration powers or with the exercise of local powers, are offered by Ville de Montréal employees.[1]

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[1] Certain services provided by the Ville de Montréal may be performed externally on a contract basis. These services are still administered by city employees and are treated as city services. Furthermore, certain services falling under the urban agglomeration's powers may also be delegated to the related municipalities.

Under these circumstances, all of the Ville de Montréal's expenditures must be analyzed and apportioned among the Urban Agglomeration Council and the City Council Budgets. This apportionment is performed in accordance with the powers identified in the *Act respecting the exercise of certain municipal powers in certain urban agglomerations*. Mixed expenditures on the other hand, which fall under the authority of both the Urban Agglomeration Council and the City Council, are distributed on the basis of various pre-established rules that require equity, effectiveness and efficiency. Montréal, in other words, has one set of municipal employees, not two. This approach is consistent with the Act and is intended to be flexible, effective and most of all efficient, thereby enabling Montréal to continue providing shared services (those falling under the Urban Agglomeration Council) to all island residents and at the lowest cost.

Breakdown of the Global Budget: An Accurate and Detailed Analysis

The Ville de Montréal's Global Budget thus consists of both the City Council Budget and the Urban Agglomeration Council Budget. This distribution is based on the following factors:

- The sharing of powers as defined in *An Act respecting the exercise of certain municipal powers in certain urban agglomerations*.
- The distribution of mixed expenditures.

Sharing of Powers

An Act respecting the exercise of certain municipal powers in certain urban agglomerations, supplemented by the *Order in Council concerning the urban agglomeration of Montréal* (1229-2005, December 8, 2005), as amended, sets out all of the powers that fall within the Urban Agglomeration Council Budget (see Table 80 and Appendix 3).

Administrative expenditures pertaining to the exercise of urban agglomeration powers also fall under the Urban Agglomeration Budget.

Different business units, in accordance with the city's organizational structure, deliver shared services pertaining to these urban agglomeration powers. These same business units also provide Montréal residents with services falling under the city's local powers. Most of the city's business units actually provide services associated with the exercise of agglomeration powers and services pertaining to the exercise of its local powers.

All services provided by the city's business units are reviewed to determine if they pertain to an expenditure falling under a local power or an urban agglomeration power. The expenditure will then be charged to the City Budget Council or to the Urban Agglomeration Council Budget, as the case may be. This review can also serve to determine if a particular expenditure is "mixed" between the two budgets. A second level of review is required to determine the manner in which mixed expenditures will be shared.

Distribution of Mixed Expenditures

Certain expenditures of the city's various business units fall under the budgets of both the Urban Agglomeration Council and the City Council. These mixed expenditures are lumped in two separate categories:

- Those pertaining to public services (such as those falling under the Service du développement et des operations: development and operations).
- Those pertaining to general administrative activities (such as the Service des finances: finance).

Distribution of Mixed Expenditures Pertaining to Services to the Public

The manner in which mixed expenditures pertaining to services to the public are distributed is determined by the business units that provide these services based on one or more of the criteria set out in the *By-law concerning mixed expenditures*, adopted by the Urban Agglomeration Council. They are:

- Factual quantitative data.
- Qualitative assessment of the human resources set aside for them.
- Quantitative assessment of the financial resources set aside for them.

Once these mixed expenditures pertaining to services to the public have been analyzed and distributed, irrespective of mixed expenditures pertaining to general administration activities, we obtain:

- Specifically calculated urban agglomeration expenditures.
- Specifically calculated local expenditures.

Distribution of Mixed Expenditures Pertaining to General Administration Activities

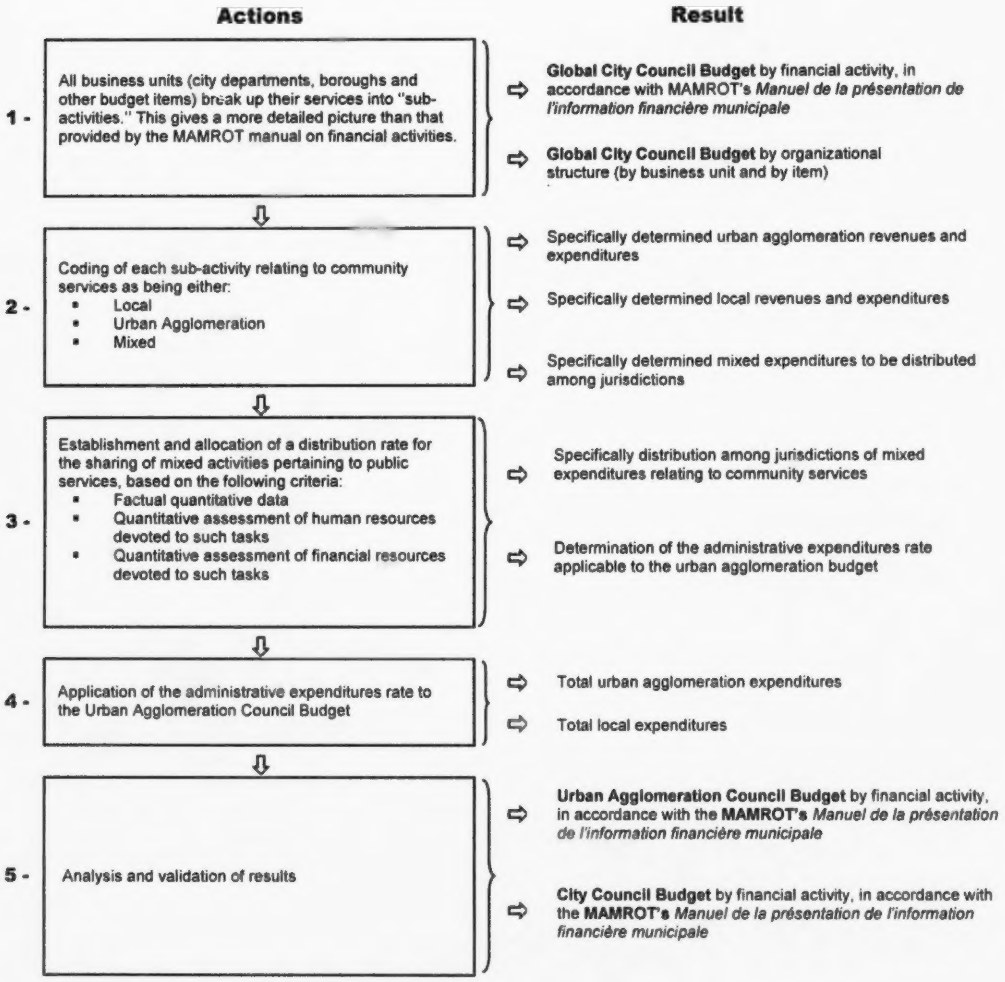
Under the new *By-law concerning mixed expenditures*, mixed "General Administration" expenditures are charged at a rate specific to the Urban Agglomeration Council Budget. For 2011, this rate for administration expenditures is 6.37%, based on the method defined in this new by-law. This percentage pertains to the Urban Agglomeration Council's Expenditures Budget as applied, for purposes of calculation, to the value of mixed general administration expenditures falling under the responsibility of the urban agglomeration, to debt service cost, to contribution expenditures and to contingency expenditures. This rate has been set for fiscal 2011, but will be revised in the following period.

Business units affected by the measure (Affaires juridiques et Évaluation foncière, Capital humain, Commission de la fonction publique, Contrôleur général, Finances, Vérificateur général, Direction de l'approvisionnement, Direction du matériel roulant et des ateliers municipaux, Direction générale, Service des technologies de l'information) are not required to provide a breakdown of their operating budget expenditures to the Urban Agglomeration Council, except with respect to expenditures pertaining to those under urban agglomeration authority (ex.: Municipal Court and property assessment), as well as those subject to specific breakdowns (such as Direction générale associée - Développement et opérations).

Step-by-Step Process

The following diagram summarizes and includes each of the steps involved in preparing the city's Global Budget and the necessary distributions of expenditures between the Urban Agglomeration Council and the City Council Budgets.

PREPARING THE BUDGET AND DISTRIBUTING REVENUES AND EXPENDITURES



Actions | **Result**

1 - All business units (city departments, boroughs and other budget items) break up their services into "sub-activities." This gives a more detailed picture than that provided by the MAMROT manual on financial activities.

- **Global City Council Budget** by financial activity, in accordance with MAMROT's *Manuel de la présentation de l'information financière municipale*
- **Global City Council Budget** by organizational structure (by business unit and by item)

2 - Coding of each sub-activity relating to community services as being either:
- Local
- Urban Agglomeration
- Mixed

Results:
- Specifically determined urban agglomeration revenues and expenditures
- Specifically determined local revenues and expenditures
- Specifically determined mixed expenditures to be distributed among jurisdictions

3 - Establishment and allocation of a distribution rate for the sharing of mixed activities pertaining to public services, based on the following criteria:
- Factual quantitative data
- Quantitative assessment of human resources devoted to such tasks
- Quantitative assessment of financial resources devoted to such tasks

Results:
- Specifically distribution among jurisdictions of mixed expenditures relating to community services
- Determination of the administrative expenditures rate applicable to the urban agglomeration budget

4 - Application of the administrative expenditures rate to the Urban Agglomeration Council Budget

- Total urban agglomeration expenditures
- Total local expenditures

5 - Analysis and validation of results

- **Urban Agglomeration Council Budget** by financial activity, in accordance with the **MAMROT's** *Manuel de la présentation de l'information financière municipale*
- **City Council Budget** by financial activity, in accordance with the **MAMROT's** *Manuel de la présentation de l'information financière municipale*

SHARED FACILITIES, ACTIVITIES AND INFRASTRUCTURE

APPENDIX: ***ORDER IN COUNCIL CONCERNING THE URBAN AGGLOMERATION OF MONTRÉAL***
(Order No. 1229-2005 and modifications)

Facilities and Infrastructure

- Parc du Mont-Royal
- Parc Jean-Drapeau (Jean-Drapeau Park)
- Parc du complexe environnemental de Saint-Michel (Saint-Michel Environmental Complex Park)
- The following ecoterritories: forêt Senneville (Senneville Forest), corridor écoforestier de la rivière à l'Orme (Orme River Ecoforest Corridor), corridor écoforestier de l'Île-Bizard (Île-Bizard Ecoforest Corridor), rapides du Cheval-Blanc (Cheval-Blanc Rapids), coulée verte du ruisseau Bertrand (Bertrand Creek Green Corridor), the summits and flanks of Mont Royal, Coulée verte du ruisseau De Montigny (De Montigny Creek Green Corridor), the green space of eastern Montréal, the Lachine Rapids and falaise Saint-Jacques (Saint-Jacques Cliff)

Activities and Topics of Activity

- Culture Montréal
- Cité des Arts du cirque
- Tour de l'Île
- Assistance to elite athletes and to metropolitan, national and international sports events
- Implementation of the framework agreement between the Ville de Montréal, the ministère de la Culture, des Communications et de la Condition féminine and the Bibliothèque nationale du Québec
- Trans-Montréal bike paths
- Municipal contributions and management of anti-poverty programs and agreements
- Municipal contributions and management of government programs and agreements aimed at ensuring the value of property, sites and boroughs recognized under the *Cultural Property Act*
- Municipal contributions to government programs, to those of the Montréal Metropolitan Community and those pertaining to the improvement, protection and usage conditions of the riverbanks surrounding the Montréal urban agglomeration or the creation of park-like riverbanks within that agglomeration
- Development and makeover of public spaces, including infrastructural work, in a sector of the urban agglomeration designated as its downtown area and bounded as follows (directions are approximate): From the intersection of Rue Amherst with Rue Cherrier; from that point southeast along Rue Amherst and its extension to the St. Lawrence River; from there south along the St. Lawrence River to the point at which it crosses under Highway

15-20 (the Champlain Bridge); from there west along Highway 15-20 to the point at which it crosses the rail lines; from there northeast along the rail line and the building along the tracks until the end of that building; from there northeast and along the building to the intersection with Rue du Parc-Marguerite-Bourgeoys; from there northeast along Rue du Parc-Marguerite-Bourgeoys and the rail lines to the intersection with the extension of Rue Sainte-Madeleine; from there west along Rue Sainte-Madeleine to the intersection with Rue Le Ber; from there north along Rue Le Ber and its extension to the intersection with the extension of Rue de Sébastopol; from there west along Rue de Sébastopol to the intersection with Rue Wellington; from there north along Rue Wellington to the intersection with Rue Bridge; from there west along Rue Bridge to the intersection with Rue Saint-Patrick; from there northwest to the intersection with Rue Guy, Rue William and Rue Ottawa; from there northwest and along Rue Guy to the intersection with Rue Notre-Dame Ouest; from there northwest and along the border of Ville-Marie borough to the boundary of the Mount Royal historic and natural borough; from there northwest along the boundary of the Mount Royal historic and natural borough to the intersection with Avenue des Pins Ouest; from there northeast along Avenue des Pins Ouest to the intersection with Rue Saint-Denis; from there southeast along Rue Saint-Denis to the intersection with Rue Cherrier; from there northeast along Rue Cherrier to the intersection with Rue Amherst, the starting point.

RESPONSIBILITIES OF THE BOROUGHS AND THE CITY DEPARTMENTS

Under the power-sharing principle, the authorities of the City Council and the 19 borough councils are confined to decisions pertaining to local authorities. This shared set of jurisdictions means that these 20 different forums, in addition to the Executive Committee, operate within the city in fields that at some times fall under City Council authority and at others, that of the borough councils. The following table illustrates various powers inherent to municipal management, based on the various areas of authority defined in the *Charter of Ville de Montréal*.

Table 71

Summary of Respective Responsibilities, Authorities and Obligations of the Boroughs and City Departments

Boroughs	City Departments
▪ **Urban planning**—adoption of all by-laws regarding the borough in question under the public hearing process set out in the *Act respecting land use planning and development.*	▪ **Urban planning**—development of an urban plan and of a framework for ensuring that boroughs comply with this plan. Provides for the protection of built heritage, public places and municipal buildings.
▪ **Condominium conversion**—variances to the by-law prohibiting conversion of a building into condominium units, to promote increased housing availability.	▪ **Housing**—development of housing policies. Creation and evaluation of programs affecting social housing and residential grants.
▪ **Fire prevention and emergency preparedness programs**—participation in and recommendations on the development of risk coverage plans and emergency preparedness.	▪ **Prevention programs for fire safety and emergency preparedness**—development of regulations pertaining to fire protection, public nuisances and sanitation.
▪ **Local roads and waste collection**—maintenance of the local road system, traffic and parking control and responsibility for solid waste collection, including recycling.	▪ **Environment, roads and networks**—development of programs ensuring environmental quality and waste management and treatment.
▪ **Local economic, community, cultural and social development**—financial support for organizations working in the field of local development.	▪ **Economic, community, cultural and social development**—development of an institutional plan for economic, cultural and social development.
▪ **Culture, leisure and parks**—responsibility for parks and for local cultural and recreational facilities.	▪ **Culture, leisure and parks**—formulation of a common approach to culture, sports and leisure.

SUMMARY OF FINANCIAL POLICIES

Since the new city was established in 2002, it has adopted financial policies to ensure sound management of public moneys. These policies define financial management practices for all municipal business dealings and serve as decision-making guides for the Executive Committee, the city, urban agglomeration and borough councils, as well as for all managers and quasi-municipal corporations.

These policies have evolved over the years, particularly in view of changes to the city's legal framework, its administrative and financial obligations and changes in our practices.

These are the city's financial policies:

- Balanced Budget Policy.
- Capital Reserve Management Policy.
- Revenue Source Policy.
- Infrastructure and Facility Policy.
- Debt Management Policy.
- Expenditure Management Policy.
- Capital Expenditure Amortization and Capitalization Policy.

Summaries follow for existing financial policies that have been adopted by the City Council or Urban Agglomeration Council. The full version of the financial policies may be downloaded from (Only in French): ville.montreal.qc.ca/finances

Balanced Budget Policy

The *Cities and Towns Act* (R.S.Q., c. C-19) requires each city to achieve a balanced budget on an annual basis. To obtain and to maintain this balance the City Council, the Urban Agglomeration Council and the borough councils may levy taxes and charge user fees for services. They can also draw on their accumulated surpluses. If, for exceptional reasons, they report an excess of expenditures over revenues for a given year, they must take corrective measures the following year.

In view not just of the scarcity of resources, but more importantly, virtually unlimited needs, the city must adopt a management framework and management practices to prevent a situation from arising in which it cannot comply with legislative requirements to maintain a balanced budget.

Purpose of the Policy

The Balanced Budget Policy is designed to ensure that the city complies with its legal obligations to maintain a balanced budget by determining the framework and tools needed to maintain this balance on an annual and multi-annual basis.

Goals

Through its Balanced Budget Policy, the city is pursuing the following goals:

- Ensuring responsible management of its financial resources.
- Ensuring through its management efforts that the city's overall budget situation is always healthy.
- Optimizing the allocation of municipal funds.
- Defining an information framework suitable for budgetary decision-making (for example, providing accurate information on operating costs and activities).
- Monitoring the municipal budgets.

Management Practices

The policy provides for 12 management practices, grouped under the following three general headings:

- The annual budgetary balance.
- Medium and long-term budgetary balance.
- Budget monitoring.

The Capital Reserve Management Policy

The city sets aside adequate reserves to address exceptional or unexpected situations as part of its prudent approach to financial management.

Because such situations cannot reasonably be anticipated at the time the budget is prepared, a reserve is designed to prevent a situation of financial instability from arising within the city or a particular borough that would force it to make not just hasty and adverse decisions, but to suddenly reduce services to residents as the result of sudden and severe cutbacks. Without adequate funding, inevitable one-time expenditures could in fact lead to such situations.

One-time expenditures are generally non-recurring in nature. They can result from a decision of the City Council, the Urban Agglomeration Council or a borough council to use reserve funds to pay for such costs as capital expenditures, which are normally covered by loans. They can also result from the strategic management of certain expense categories, based on a choice by City Council, the Urban Agglomeration Council or a borough council.

Purpose of the Policy

This policy serves to define mechanisms for creating and using reserves.

Goals

The city intends through this policy to pursue the following goals:

- Providing responsible and prudent management of city finances.
- Maintaining a balanced budget at all times.
- Creating available surpluses and capital reserves.
- Ensuring that available surpluses and capital reserves are used appropriately.

Management Practices

The policy provides for 17 management practices, grouped under the two following general headings:

- The creation of capital reserves.
- The use of capital reserves.

Revenue Source Policy

An Act respecting Municipal taxation (R.S.Q., c. F-2.1) defines the sources of funding that the city may use to pay for its services.

The city and its boroughs must make appropriate choices to fund their activities. Informed decisions in the matter require a good knowledge of revenue sources. This information will enable them to make decisions in keeping with proper management principles for public moneys.

Purpose of the Policy

The Revenue Source Policy defines principles that will guide the city in decisions on funding its services and activities.

Goals

The city intends through its Revenue Source Policy to pursue the following goals:

- Making funding choices that ensure a sound budgetary situation at all times.
- Optimizing funding choices for public services to ensure stable service delivery.
- Ensuring that in-depth information is available at the time funding choices are made.

Management Practices

The policy provides for 18 management practices, grouped under the following five general headings:

- Financing of public services.
- Revenue diversification.
- Service cost.
- Difficult-to-predict revenues.
- One-time revenues.

Infrastructure and Facility Policy

Comprehensive planning of infrastructure and facilities will help the city as a whole assess its immediate and future financial needs, so that it can keep its realty assets in good shape and replace certain components at the appropriate times to preserve the quality of services to residents.

Purpose of the Policy

This policy services to assess the planning activities needed to keep the city's facilities and infrastructure in good working order and to replace them at the appropriate times.

Goals

The city intends through this policy to pursue the following goals:

- Adopting a three-year capital facilities program based on well-documented studies.
- Managing facilities and infrastructure in a cost-effective manner.
- Producing an inventory of facilities and infrastructure so that it will be familiar with the scope, quality and condition of its realty assets.
- Being aware of factors that could damage the various components of its realty assets.
- Ensuring that its budgetary situation is not destabilized by unplanned expenditures.

Management Practices

The policy defines 12 management practices, grouped under the following three general headings:

- The city must possess strategic information about its realty assets.
- The city must examine components of its realty assets so that it can keep them in good shape.
- The city must formulate a resource allocation strategy.

Debt Management Policy

Cities must generally use long-term loans to pay their investment expenditures. Investment needs can be virtually unlimited. Choices must be made, because the city cannot incur excessive levels of debt. Debt management means debt must be reasonable, that must be within the ability of taxpayers to pay and that it must ensure the delivery of high quality services to residents.

Special scrutiny must be applied to expenditures paid out of long-term debt that require borrowing against future taxes. Such loans should obviously be applied not just in a responsible, but in a circumspect, manner.

Purpose of the Policy

The Debt Management Policy serves as a guide to debt-related decision-making, to maintain a sound financial situation that is within the city's ability to pay and that will protect its future borrowing ability.

Goals

Through its debt management policy, the city intends to:

- Responsibly and prudently manage the city's debt, which means adopting a formal framework defining rules for borrowing.
- Adopt practices that serve to remedy the city's high level of indebtedness.
- Ensure stable access to capital markets, particularly at advantageous rates.
- Improve its financial situation and thereby maintain, or if possible, boost, the city's credit rating.

Management practices

The policy provides for 21 management practices, grouped under the five following headings:

- The city must adopt a strategy for funding capital expenditures.
- The city must prudently manage its debt.
- The city must pay the initial actuarial liability of the former city's retirement plans.
- The city must administer its debt responsibly.
- The city must keep financial risk to a minimum.

Expenditure Management Policy

Purpose of the Policy

This policy defines principles to guide city managers in their spending decisions with respect to staffing and the acquisition of goods and services. This policy also covers inter-unit expenditures.

Goals

The city, through its Expenditure Management Policy, intends to pursue the following goals:

- Ensuring compliance with sound management principles.
- Ensuring compliance with principles of transparency and equity.
- Guaranteeing decentralized management of expenditures.

Management Practices

The policy provides for 17 management practices, grouped under the following three general headings:

- The city must rigorously manage staffing expenditures, while taking human factors into account.
- Expenditures that result from the city's transactions in different markets must be made and managed out of a constant concern for effectiveness, efficiency and economy.
- The city must promote rigorous control of its spending by applying the inter-unit expenditure concept.

Capital Expenditure Amortization and Capitalization Policy

Purpose of the Policy

Capital Expenditure Amortization and Capitalization Policy serves to identify and record capital and amortization expenditures based on criteria previously defined by the city that have a significant impact on its financial situation. Any ambiguity in applying this policy will be interpreted by the Direction de la comptabilité et du contrôle financier (accounting and financial control), in conjunction with the department concerned.

Scope of the Policy

This policy contains general principles, methods of application, appendices on the amortization policy table and interpretive guides pertaining to archaeological excavations, decontamination costs, changes to make buildings more accessible to the disabled, the integrated management system, the *Road Repair Program*, write-offs and leased tangible assets.

SCHEDULE OF THE BUDGET COMMITTEES

Public Review of the 2011 Budget and of the City's 2011-2013 CWP
(municipal and urban agglomeration components)
and budgets of the quasi-municipal corporations

Commission sur les finances, les services administratifs et le capital humain (volet ville)
(finance, administrative services and human resources: municipal component)
Commission sur les finances et l'administration (volet agglomération)
(finance and administration: urban agglomeration component)
Commission de la sécurité publique
(public safety)

Friday, December 3, 2010—8:30 a.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Presentation of the **General Operating and CWP budgets** Municipal component, urban agglomeration component and quasi-municipal corporation budgets Mr. Gérald Tremblay, Chair of the Executive Committee Mr. Alan DeSousa, Vice Chair of the Executive Committee Mr. Louis Roquet, City Manager Mr. Robert Lamontagne, Principal Director, Service des finances and Treasurer	1 hr.
4.	Question and answer and public comment period	15 min.
5.	Question and answer and committee member comment period	30 min.
6.	Adjournment at 2:00 p.m.	

Friday, December 3, 2010—2:00 p.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Submission of budget books	5 min.
	Ombudsman de Montréal	
	Office de consultation publique de Montréal	
	Secrétariat de liaison de l'agglomération de Montréal	
	Bureau du contrôleur général	
	Conseil interculturel de Montréal	
	Conseil jeunesse de Montréal	
	Conseil des Montréalaises	
	Société de gestion Marie-Victorin	
3.	Presentation by the **Direction générale** (general administration)	15 min.
	Mr. Louis Roquet, City Manager	
4.	Presentation by the **Direction du greffe** (city clerk's office)	15 min.
	M^{e} Yves Saindon, Director and City Clerk	
5.	Presentation by the **Direction des affaires institutionnelles** (institutional affairs)	15 min.
	Mr. Robert Pilon, Director	
6.	Presentation by the **Direction des communications** (communications)	15 min.
	Ms. Caroline Spandonide, Director	
7.	Question and answer and public comment period	30 min.
8.	Question and answer and committee member comment period	1 hr.
9.	Presentation by the **Nature Museums**	30 min.
	Mr. Charles-Mathieu Brunelle, Director	
10.	Question and answer and public comment period	15 min.
11.	Question and answer and committee member comment period	30 min.
12.	Adjournment	

Monday, December 6, 2010—8:30 a.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Presentation of the **Service des finances** (finance) Mr. Robert Lamontagne, Principal Director and Treasurer	30 min.
4.	Question and answer and public comment period	15 min.
5.	Question and answer and committee member comment period	30 min.
6.	Submission of budget books *Commission de la fonction publique*	5 min.
7.	Presentation of the **Service du capital humain** (human resources) Mr. Jean-Yves Hinse, Principal Director	30 min.
8.	Question and answer and public comment period	15 min.
9.	Question and answer and committee member comment period	30 min.
10.	Adjournment at 2:00 p.m.	

Monday, December 6, 2010—2:00 p.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Presentation of the **Service des affaires juridiques et de l'évaluation foncière** (legal affairs and property assessment) M^e Line Charest, Director	30 min.
3.	Question and answer and public comment period	15 min.
4.	Question and answer and committee member comment period	30 min.
5.	Presentation of the **Service des technologies de l'information** (IT services) Mr. Michel Archambault, Director	30 min.
6.	Question and answer and public comment period	15 min.
7.	Question and answer and committee member comment period	
8.	Adjournment	30 min.

Tuesday, December 7, 2010—2:00 p.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Submission of budget books *Société d'habitation et de développement de Montréal* *La Corporation des Habitations Jeanne-Mance* *Office municipal d'habitation de Montréal* *Corporation Anjou 80*	5 min.
4.	Presentation by the **Direction générale associée – Développement et opérations** (development and operations) Ms. Rachel Laperrière, Associate Director General	30 min.
5.	Presentation by the **Direction du développement économique et urbain** (economic and urban development) Mr. Arnold Beaudin, Director	30 min.
6.	Question and answer and public comment period	15 min.
7.	Question and answer and committee member comment period	30 min.
8.	Presentation by the **Direction de l'habitation** (housing) Mr. Denis Quirion, Director	30 min.
9.	Question and answer and public comment period	15 min.
10.	Question and answer and committee member comment period	30 min.
11.	Adjournment	

Wednesday, December 8, 2010—8:30 a.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Submission of budget books *Conseil du patrimoine de Montréal* *Conseil des arts de Montréal* *Société du parc Jean-Drapeau* *Musée de la Pointe-à-Callière*	5 min.
4.	Presentation by the **Direction de la culture et du patrimoine** (culture and heritage) Mr. Jean-Robert Choquet, Director	30 min.
5.	Question and answer and public comment period	15 min.
6.	Question and answer and committee member comment period	30 min.
7.	Presentation by the **Direction des grands parcs et du verdissement** (large parks and greening) Mr. Pierre Bouchard, Director	15 min.
8.	Presentation by the **Direction des sports** (sports) Ms. Johanne Derome, Director	15 min.
9.	Presentation by the **Direction de la diversité sociale** (social diversity) Mr. Gilles Rioux, Director	15 min.
10.	Question and answer and public comment period	15 min.
11.	Question and answer and committee member comment period	30 min.
12.	Presentation by the **Direction de l'environnement et du développement durable** (environment and sustainable development) Ms. Chantal I. Gagnon, Director	30 min.
13.	Question and answer and public comment period	15 min.
14.	Question and answer and committee member comment period	30 min.
15.	Adjournment at 2:00 p.m.	

Wednesday, December 8, 2010—2:00 p.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Presentation by the **Direction des travaux publics** (public works) Ms. Johanne Mackay Falcon, Director	15 min.
3.	Presentation by the **Direction des transports** (transportation) Mr. Claude Carette, Acting Director	15 min.
4.	Question and answer and public comment period	15 min.
5.	Question and answer and committee member comment period	30 min.
6.	Presentation by the Commission des services électriques (electrical service commission) Mr. Serge A. Boileau, Chair	30 min.
7.	Question and answer and public comment period	15 min.
8.	Question and answer and committee member comment period	30 min.
9.	Adjourned at 7:00 p.m.	

Wednesday, December 8—7:00 p.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Presentation by the **Service de l'eau** (water) Mr. Réjean Lévesque, Director	1 hr.
3.	Question and answer and public comment period	30 min.
4.	Question and answer and committee member comment period	1 hr.
5.	Adjournment	

Thursday, December 9, 2010—8:30 a.m.

Mixed Review
(Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Presentation by the **Direction générale associée — Concertation des arrondissements et des ressources matérielles** (coordinated action of the boroughs and material resources) Mr. Serge Lamontagne, Associate Director General	10 min.
4.	Presentation by the **Direction de la propreté et du déneigement** (clean-up and snow removal) Mr. Yves Gravel, Acting Director	30 min.
5.	Question and answer and public comment period	15 min.
6.	Question and answer and committee member comment period	30 min.
7.	Presentation by the **Direction de l'approvisionnement** (procurement) Ms. Johanne Goulet, Director	30 min.
8.	Question and answer and public comment period	15 min.
9.	Question and answer and committee member comment period	30 min.
10.	Adjournment at 2:00 p.m.	

Thursday, December 9, 2010—2:00 p.m.

Mixed Review (Municipal and urban agglomeration components)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Presentation by the **Direction du matériel roulant et des ateliers municipaux** (rolling stock and municipal shops) Mr. Guy Charbonneau, Director	30 min.
4.	Question and answer and public comment period	15 min.
5.	Question and answer and committee member comment period	30 min.
6.	Presentation by the **Direction des immeubles** (buildings) Mr. Daniel Cousineau, Director	30 min.
7.	Presentation by the **Direction des stratégies et transactions immobilières** (property transactions and strategies) Mr. Michel G. Nadeau, Director	30 min.
8.	Question and answer and public comment period	15 min.
9.	Question and answer and committee member comment period	30 min.
10.	Adjournment	

Thursday December, 9, 2010—7:00 p.m.

Commission sur les finances et l'administration (volet agglomération) (Finance and administration: urban agglomeration component)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Presentation by the **Société de transport de Montréal** (STM) Mr. Yves Devin, Director General	1 hr.
4.	Question and answer and public comment period	30 min.
5.	Question and answer and committee member comment period	1 hr.
6.	Adjournment	

Friday, December 10, 2010—8:00 a.m.

Commission de la sécurité publique
(Public safety)

1. Word of welcome, presentations and meeting 5 min.
2. Adoption of the agenda 5 min.
3. Presentation of the **Service de police de la Ville de Montréal** (police department) 1 hr.
   Mr. Marc Parent, Director
4. Question and answer and public comment period 30 min.
5. Question and answer and committee member comment period 1 hr.
6. Presentation of the **Service de sécurité incendie de Montréal** (fire department) 1 hr.
   Mr. Serge Tremblay, Director
7. Question and answer and public comment period 30 min.
8. Question and answer and committee member comment period 1 hr.
9. Adjournment

Friday, December 10, 2010 from 9:00 a.m. to 5:00 p.m.

Day set aside for discussions on draft recommendations (closed meeting).

VENUE: Édifice Lucien-Saulnier—155, rue Notre-Dame Est—Salle 202

Monday, December 13, 2010—9:00 a.m.

Commission de la sécurité publique (Public safety)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Final deliberations and adoption of recommendations by the **Commission de la sécurité publique (public safety)**	30 min.
4.	Question and answer and public comment period	30 min.
5.	Question and answer and committee member comment period	30 min.
6.	Adjournment	

Monday December 13, 2010—11:00 a.m.

Commission sur le budget (volet agglomération) (Budget: urban agglomeration component)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Final deliberations and adoption of recommendations by the **Commission sur les finances et l'administration (urban agglomeration component)**	30 min.
4.	Question and answer and public comment period	30 min.
5.	Question and answer and committee member comment period	30 min.
6.	Adjournment	

Monday December 13, 2010—2:00 p.m.

Commission sur le budget (volet Ville) (Budget: municipal component)

1.	Word of welcome, presentations and meeting	5 min.
2.	Adoption of the agenda	5 min.
3.	Final deliberations and adoption of recommendations by the **Commission sur les finances, les services administratifs et le capital humain** (finance, administrative services and human resources) (municipal component)	30 min.
4.	Question and answer and public comment period	30 min.
5.	Question and answer and committee member comment period	30 min.
6.	Adjournment	

ville.montreal.qc.ca/commissions

WATER FUND

The Water Fund is an accounting fund used to consolidate financial information on water and to monitor financial reserves in this area.

In 2003, the City Administration launched a plan targeting major investments in rehabilitating water and sewer lines and upgrading drinking water production plants. To meet these goals while controlling debt levels, the city has since 2004 collected a special contribution to improve the water supply system. In accordance with legal requirements pertaining to this tax, two financial reserves (one local and one for the urban agglomeration) were established.

The Administration is providing new impetus in the 2011 Budget to the funding of water infrastructure by bolstering long-term financing for the fund. The increased contribution of $32.6 million in the budget to the Water Financial Reserve is up 9% with respect to the Restated 2010 Budget. Furthermore, a greater share of capital expenditures will be paid up front. In the 2011 Budget, this part grew from $22.8 million to $58.9 million, for an additional $36.1 million. The new contribution for fiscal 2011 is thus entirely devoted to upfront payment.

Table 72 presents the budget estimates of revenues and expenditures pertaining to water management for fiscal 2011. It comprises two separate components: the City Council Budget and the Urban Agglomeration Council Budget.

Total Water Fund revenues stand at $392.5 million in the 2011 Budget, including $157.6 million exclusively earmarked for improving the island's water supply system. This means that a contribution of $91.3 million (up $16.3 million from 2010), paid by quota shares of the related municipalities, will be directly allocated to the Urban Agglomeration Council's Water Financial Reserve, while the Ville de Montréal will earmark a contribution of $66.3 million to the Water Financial Reserve falling under City Council authority (also up $16.3 million). Overall, the city's total contribution of $140.4 million consists of its quota share to the urban agglomeration's Water Financial Reserve ($74.1 million) and its contribution to the local Water Financial Reserve ($66.3 million).

Total Water Fund expenditures and funding in the 2011 Budget stand at $333.2 million. Allocations of $59.3 million have also been set aside, primarily as upfront payment for capital works activities. Expenditures of the Water Financial Reserve are presented to reflect all fields of water management activity. The City Council Budget includes an appropriation of $211.4 million to ensure funding of the quota share pertaining to urban agglomeration activities.

An appropriation of $360.3 million has been budgeted for capital acquisitions. The latter will be financed through such means as subsidy programs ($180.4 million) and upfront payments ($117.3 million). Loans to be repaid by residents will accordingly be capped at $62.6 million.

Details of work on the water supply scheduled under the 2011-2013 Capital Works Program appears in Table 73. The major capital works projects in the 2011 Budget involve rehabilitation of the secondary water mains and sewer lines ($127.3 million), upgrading drinking water production plants ($111 million) and the sewage system and collector rehabilitation program ($30 million). Consequently, more than $1.1 billion will be invested in renovating the water supply and sewage systems over the 2011 to 2013 period.

Table 72

Budgeted Statement of Revenues and Expenditures Pertaining to Water Management

(In thousands of dollars)

	City Council Budget 2011	Urban Agglomeration Council Budget 2011	Inter-entity transactions 2011	Global Budget 2011
Revenues				
Quota shares - water service	-	111,107.2	(90,143.3)	20,963.9
Quota shares - drinking water supply	-	51,501.8	(47,201.4)	4,300.4
Quota shares - water financial reserve	-	91,300.0	(74,073.4)	17,226.6
Quota shares – work eligible under the TECQ program	-	2,069.0	-	2,069.0
Wastewater fee structure and selling of drinking water - Charlemagne	-	4,674.4	-	4,674.4
Other revenues - SDO and Service de l'eau	-	332.9	-	332.9
Contribution to improve water service	140,373.3	-	-	140,373.3
Flat and meter rate	23,109.7	-	-	23,109.7
Other revenues - Boroughs	853.0	-	-	853.0
Other revenues - Service de l'eau	893.5	-	-	893.5
Allocation to the general fund	177,684.5	-	-	177,684.5
Total revenues	**342,914.0**	**260,985.3**	**(211,418.1)**	**392,481.2**
Expenditures				
Water service and administration	3,274.9	5,017.2	-	8,292.1
Drinking water production (modernization of plants)	-	67,339.1	-	67,339.1
Drinking water production (modernization of plants)	-	64,426.6	-	64,426.6
Wastewater treatment	-	-	-	
- Strategic management of systems	7,083.1	-	-	7,083.1
- Borough allocations for system maintenance	47,795.6	-	-	47,795.6
- Improvement to system maintenance	15,603.0	-	-	15,603.0
Project to install water meters	-	1,911.2	-	1,911.2
Contingency fund	728.8	2,179.2	-	2,908.0
Technical support (laboratory, geomatics)	499.2	2,010.4		2,509.6
General administration expenses	1,837.4	8,703.5	-	10,540.9
General administration expenses	3,483.2	18,190.5	-	21,673.7
Financing expenses	14,157.8	20,441.2	-	34,599.0
Total expenditures	**94,463.0**	**190,218.9**	-	**284,681.9**
Financing				
Repayment of long-terme debt	26,073.4	22,420.0	-	48,493.4
Total financing	**26,073.4**	**22,420.0**	-	**48,493.4**
Quota shares for financing urban agglomeration activities	211,418.1	-	(211,418.1)	-
Total expenditures, financing and quota shares	331,954.5	212,638.9	(211,418.1)	333,175.3
Surplus (deficit) before allocations	10,959.5	48,346.4	-	59,305.9
Allocations				
Capital assets activities	(10,594.0)	(48,346.4)	-	(58,940.4)
Repayment of capital	(365.5)	-		(365.5)
Operating surplus (deficit) for fiscal purposes	-	(0.0)	-	(0.0)

Expected capital expenditures and financing sources

Capital expenditures			-	
Drinking-water treatment		**179,887.0**		**179,887.0**
Wastewater treatment		**51,352.0**		**51,352.0**
Water supply and sewage systems	**110,183.0**	**17,100.0**		**127,283.0**
Other asset category		**1,799.0**		**1,799.0**
Total des acquisitions	110,183.0	250,138.0		360,321.0
Financing sources				
Transfers relating to cost-sharing agreements	65,134.0	115,281.0	-	180,415.0
Allocation of water financial reserve	14,206.0	44,157.6		58,363.6
Operating Budget Allocation	10,594.0	48,346.4	-	58,940.4
Loan charged to taxpayers	20,249.0	42,353.0	-	62,602.0
Total - financing sources	110,183.0	250,138.0	-	360,321.0

Table 73

Breakdown of Capital Expenditures over the Next Three Years

(In thousands of dollars)

Capital expenditure project	2011	2012	2013	Total
Direction de la production de l'eau potable				
Rehabilitation program for water mains	23,846	49,509	24,561	97,916
Water mains – Pierrefonds regional network	1,554	11,104	8,474	21,132
Water mains – Sainte-Anne-de-Bellevue regional network	2,153	2,404	54	4,611
Water mains – Lachine regional network	54	1,554	3,054	4,662
Safety measures to protect electricity flow to water production plants and pumping stations	350	350	350	1,050
Introduction of water meters – industrial, commercial and institutional	1,816	1,766	3,723	7,305
Construction of water mains – Dorval and Pointe-Claire regional networks	900	-	-	900
Securement of electrical supply at water production plants and pumping stations	680	700	-	1,380
Upgrading of water treatment processes	111,000	36,187	2,067	149,254
Upgrading of drinking water treatment plants, pumping stations and reservoirs	24,403	27,336	24,231	75,970
Rehabilitation program for reservoirs and pumping stations	5,900	12,032	6,680	24,612
Upgrading of buildings involved in drinking water production	7,231	16,766	15,846	39,843
	179,887	**159,708**	**89,040**	**428,635**
Direction de l'épuration des eaux usées				
Major renovation program for sewer systems and collectors	29,979	72,187	75,919	178,085
Upgrading of the treatment station and interceptor network	749	8,080	650	9,479
Program to upgrade the wastewater treatment plant	11,953	11,400	5,445	28,798
Disinfection of wastewater	7,085	16,800	71,350	95,235
MUHC – Replacement of the Décarie collector	1,586	-	-	1,586
	51,352	**108,467**	**153,364**	**313,183**
Direction de la gestion stratégique des réseaux d'eau				
Program to replace secondary water supply and sewage systems	**127,283**	**132,823**	**141,223**	**401,329**
Direction des immeubles				
Program to preserve corporate industrial buildings	**1,799**	**440**	**440**	**2,679**
Total	**360,321**	**401,438**	**384,067**	**1,145,826**

CONSOLIDATED PORTRAIT OF TRANSPORTATION INVESTMENTS

Montréal will invest a total of $2,965 million in its transportation systems over the 2011 through 2013 period, with $836 million of that amount to be spent under the 2011 Budget. These three years of investments fall into three major categories: capital expenditures by the Société de transport de Montréal (STM) ($1,876 million), those for the municipal road system ($962 million) and a $127 million appropriation for the Investment Fund. These investments, of course, are partly subsidized by the higher levels of government, such as the Government of Québec's public transit and active transportation assistance programs.

Table 74
Consolidated Portrait of Montréal's Transportation Investments
Capital Expenditure Activities
(In thousands of dollars)

Type of Investments	2011	2012	2013	Total 2011-2013	%
Public transit (Société de transport de Montréal)					
Maintaining and Improving	524.2	573.2	460.3	1,557.7	
Development	66.0	91.6	161.1	318.7	
	590.2	664.8	621.4	1,876.4	63 %
Road network[1]					
Roads, streets and sidewalks	155.8	203.9	226.1	585.8	
Bridges, tunnels and viaducts	33.0	31.0	29.5	93.5	
Lighting and traffic lights systems	11.5	12.3	7.6	31.4	
Bicycle paths	10.0	9.2	9.0	28.3	
Roads for public transportation projects[2]	1.6	101.9	101.1	204.6	
Other assets	4.5	6.6	7.3	18.5	
	216.3	364.9	380.7	962.0	33 %
Investment fund					
Havre de Montréal - Redevelopment autoroute Bonaventure	27.3	43.7	47.5	118.5	
Pierrefonds Ouest, including new boul. A-440 and boul. Pierrefonds extension	0.3	0.4	5.7	6.4	
Boul. Thimens for industrial development	1.8	-	-	1.8	
	29.3	44.2	53.2	126.7	4 %
Total	835.8	1,073.9	1,055.3	2,965.0	100 %

[1] Includes all investments in the road system assets of the Ville de Montréal and its boroughs, except those of the Commission des services électriques (electrical service commission) and the Investment Fund.

[2] Pie-IX Rapid Bus Service and the Côte-des-Neiges—downtown tramway line, for which funding by outside sources remains to be approved. Road system assets will be owned by the Ville de Montréal and are accordingly compiled here.

Montréal's Investments in Public Transit

Over the next three years, 63% of transportation investments will be earmarked for public transit. The STM's 2011-2013 Capital Works Program is valued at $1,876 million over that period. This record level represents three times investments made over the 2004 through 2006 period preceding the service upgrade program.

The STM's key asset maintenance and upgrade projects involve the replacement of subway cars, for investments of $505 million under the 2011-2013 Budget, including modifications to shops and subway lines to permit safe and efficient operation of the new trains; phases I, II and III of the Réno-Systèmes program ($374 million), the Réno-Infrastructures program ($105 million); and repairs to the Berri-UQÀM station ($53 million).

Key asset upgrade and maintenance projects on the bus system will include the purchase of conventional ($183 million) and articulated ($42 million) buses, replacement of the SAEIV bus rider information and operation assistance system ($154 million) and the bus energy efficiency program ($17 million). These investments will enhance the reliability and performance of Montréal's public transit system.

Furthermore, the STM will invest $145 million to expand its system by building a new bus transportation centre, $65 million to deploy preferential measures for buses on arterial roads and $15 million to set up an additional 400 bus shelters. An appropriation of $18 million will also be used to purchase buses under the *Programme d'aide gouvernementale à l'amélioration des services de transport en commun* (PAGASTC).

Although project funding remains to be finalized, a total appropriation of $218 million has been set aside to begin work on the Côte-des-Neiges—downtown tramway line ($143 million under Montréal's CWP and $75 million under the STM's CWP). Funding of $9.1 million in the 2011 Budget, paid out of the urban agglomeration's Road System Financial Reserve, will be used to develop a blueprint for this initial tramway line. The rest of the scheduled funding will depend on project approval by the Government of Québec.

Investments in Montréal's Roads

The city plans to increase the value of its road system assets by $1,089 million over the 2011 through 2013 period. This includes $126.7 million for projects funded by the Investment Fund, including dismantling the Bonaventure Expressway and developing of Pierrefonds-Ouest.

Because of the deterioration of its road infrastructure, the city established a Road System Financial Reserve in 2006. This reserve boosts investments in restoring and building road infrastructure. The contribution to the Road System Financial Reserve in the 2011 Budget $17.3 million. These revenues will be used to increase investment in road repair with upfront payments of $9.9 million over the coming year.

The city is also pursuing its efforts to keep its road system in good shape. During the 2011-2013 period, a total of $585.8 million has been set aside for roadways ($137.6 million for repairs to the arterial system), $93.5 million for road structures (bridges and tunnels), $31.4 million for lighting systems and traffic lights and $28.3 million for bike paths.

These amounts include ongoing redevelopment work to the Dorval ($21.0 million to be spent by Montréal in the 2011-2013 Budget) and Décarie ($3.6 million by the MTQ) interchanges, as well as a complete revamping of the Pie-IX—Henri-Bourassa intersection ($28.2 million), prior to launching the Pie-IX Rapid Bus System (SRB).

Implementation of the Transportation Plan

Since its adoption in 2008, Montréal has been actively following through on its Transportation Plan, within the limits of its financial means. Two assessments, published in 2009 and 2010, reported promising results, including the best STM ridership since 1949, growth of the bike path system and cycling, accompanied by fewer road accidents. With its 2011-2013 CWP, Montréal is stepping up its rollout of the Transportation Plan by appropriating $1,530 million over three years for its implementation. This amount represents more than half (52%) of all transportation investments ($2,965 million) for that period.

A large share of investments in the Transportation Plan ($1,019 million over three years) pertain to the STM's public transit projects, including the replacement of subway cars ($505 million), the SAEIV project ($154 million), construction of a new bus transportation centre to boost the size of the STM's bus fleet ($145 million), implementation of preferential measures for buses on arterial roads ($65 million), the purchase of bus shelters ($15 million) and ongoing purchases of articulated buses ($42 million) and conventional buses under PAGASTC ($18 million). Montréal will also invest $27.6 million for improved access to the AMT's future East Ender commuter line stations, including the extension and redesign of boulevard Maurice-Duplessis, near the Rivière-des-Prairies station. Montréal has, furthermore, included $143 million in its 2011-2013 CWP and $75 million in that of the STM to launch work on the initial tramway line, on the Côte-des-Neiges—downtown route.

Also under the heading of transportation assets, the $28.3 million to be spent over three years for developing and upgrading the bike path system will be used to continue creating new paths at the rate of 50 km per year. Doing so should comply with Transportation Plan goals and double the length of the bike path system between 2007 and 2014.

The city will accelerate its investments in public safety and quality of life with an unprecedented $62.2 million capital expenditure budget in the 2011-2013 Budget. This funding will be used to continue the safer intersection program, to better divide roads for mass and active transit modes, to implement traffic calming initiatives and to conduct green neighbourhood pilot projects in conjunction with the boroughs. Work is planned in such areas as rue Sainte-Catherine, and in the Sainte-Marie and Hochelaga-Maisonneuve sectors. Following its adoption of the Plan stratégique des systèmes de transport intelligents (strategic plan on smart transportation systems) in 2010, Montréal will also spend $27.4 million to continue upgrading traffic signals and increasing pedestrian safety and to implement an urban mobility management centre.

In addition to the previously mentioned road projects (the Dorval and Décarie interchanges, the Pie-IX—Henri-Bourassa intersection and extension of boulevard Maurice-Duplessis), Montréal has earmarked funding for three other road projects in its Transportation Plan. The linking of boulevard Cavendish and boulevard Henri-Bourassa in Saint-Laurent is to be finalized in the 2011 Budget. Investments are also planned to extend boulevard de l'Assomption and to purchase land to increase the capacity of the Île Bizard bridge.

INVESTMENT FUND

Major Investments in Montréal's Economy

In 2006, Montréal created an investment fund that would promote growth in property wealth throughout the city. This Investment Fund consists of a supplementary envelope of the Capital Works Program (CWP) that is devoted to major municipal infrastructure projects offering the greatest potential return on property value for the city. The very large share of these investments pertain to the construction of road infrastructure, water mains and sewer lines, development of public squares and land acquisition. By injecting additional funding into major development projects, the city is seeking to accelerate the growth of its property tax revenues beyond that generated by normal market growth. The federal and provincial governments, as well as other financial partners, are also contributing to this fund.

The Investment Fund comprises a total amount of $405 million that is to be disbursed as follows: $124.4 million in 2011, $159.5 million in 2012 and $121 million in 2013. The city is contributing about 73.8% of the amounts paid into these investment projects.

The city will dismantle the Bonaventure Expressway. Elimination of this structure will make it possible to extend downtown Montréal toward the Peel Basin and the river and thereby enhance the value of many isolated property and create multiple blue and green spaces. Additional investments of $118.5 million will be applied to this sustainable development project.

Major investments will also be made in building the McGill University Health Centre. In 2011, $19.4 million will be spent on road infrastructure work. This vast project will require additional investments of $57.5 million over the three-year period.

Montréal will carry on with existing work at the Quartier des spectacles, including redevelopment of rue Sainte-Catherine between rue De Bleury and rue Saint-Dominique and the creation of esplanade Clark, which will include a skating rink. The city will also launch redevelopment work along the southern portion of rue Jeanne-Mance. A variety of operations will serve to complete redevelopment of Place des Arts over the 2011-2013 period. These investments should total some $49.3 million.

All investments scheduled under the Investment Fund appear in the following table.

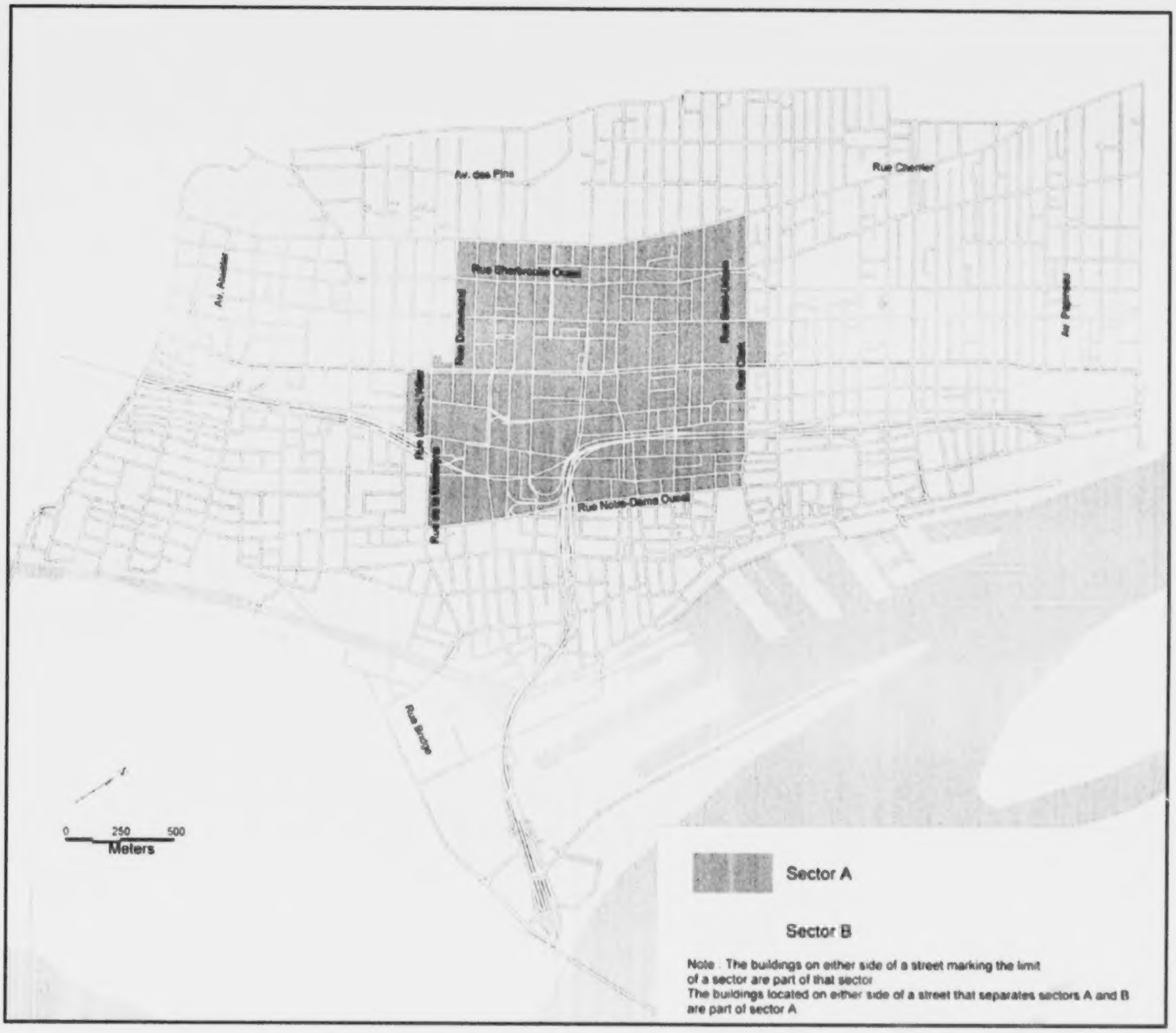
Table 75
Capital Assets Activities—Investment Fund by Project

(In thousands of dollars)

Capital Works Projects	**2011**	**2012**	**2013**	**Total**
Nouveau Havre basins – Infrastructure and development	2,650	5,227	3,181	**11,058**
Boulevard Thimens – Industrial development	1,757	-	-	**1,757**
Outremont Campus – Infrastructure and development	2,021	15,377	27,630	**45,028**
Infrastructures – MUHC	610	6,853	-	**7,463**
Havre de Montréal – Redevelopment autoroute Bonaventure	27,274	43,722	47,520	**118,516**
Infrastructures – École de technologie supérieure (ETS)	847	-	-	**847**
Infrastructures – Montréal Jewish General Hospital	400	2,600	-	**3,000**
Infrastructures – Île-des-Soeurs	5,499	451	-	**5,950**
Infrastructures – Technopôle Angus	1,879	-	-	**1,879**
Infrastructures and development – Griffintown	7,202	6,328	1,376	**14,906**
Infrastructures and development – L'Acadie-Chabanel	506	3,000	-	**3,506**
Infrastructures and private development – Site of the Rosemont shops	416	-	-	**416**
Enhancement of boulevard De Maisonneuve	53	6,964	11,864	**18,881**
Namur and Jean-Talon Ouest – Urban requalification	2,000	6,000	7,000	**15,000**
Pierrefonds Ouest – Development of the l'Anse-à-l'Orme area	269	432	5,694	**6,395**
Infrastructure program required for development	10,000	10,000	10,000	**30,000**
Quartier des spectacles – Additional projects	907	700	-	**1,607**
Quartier des spectacles – Redevelopment of the Place des Arts area	35,165	14,108	-	**49,273**
Infrastructures and development – Contrecoeur site	4,086	5,236	-	**9,322**
Saint-Viateur Est – Revitalization of area	1,515	1,183	-	**2,698**
MUHC, Glen Yards – Infrastructure work	19,380	31,309	6,779	**57,468**
Total	124,436	159,490	121,044	**404,970**
Financing				
Subsidies and other sources of revenue	41,227	50,076	14,692	**105,995**
Allocation	7,369	46,096	47,520	**100,985**
Loans	75,840	63,318	58,832	**197,990**
Total financing	124,436	159,490	121,044	**404,970**

PARKING LOT TAX: SECTORS OF APPLICATION

Figure 6
Parking Lot Tax: Sectors of Application


Av. des Pins
Rue Cherrier
Av. Atwater
Rue Sherbrooke Ouest
Rue Drummond
Rue Saint-Urbain
Rue Clark
Av. Papineau
Rue Lucien-L'Allier
Rue de la Montagne
Rue Notre-Dame Ouest
Rue Bridge
0
250
500
Meters
Sector A
Sector B

Note : The buildings on either side of a street marking the limit of a sector are part of that sector
The buildings located on either side of a street that separates sectors A and B are part of sector A

GLOSSARY AND SPECIAL TERMS

Allocation
Item referring to funding drawn on financial reserves or reserve funds and cumulative surpluses and used to finance operating activities for the current fiscal year. This item also refers to funding earmarked for the replenishment of financial reserves and reserve funds and for financing capital procurements set out in the TCWP.

Annualization
Administrative procedure that consists of establishing budget expenditure and revenue components on an annual basis that had previously been established for short periods.

Assessment roll
Record containing information pertaining to the breakdown of taxes that have been assessed. Also includes the names of each property owner, the assessed value of each building, the rate of every property tax, the amount of taxes due from each taxpayer and the amount of all back taxes due from each taxpayer. This roll is a public document.

Average cumulative property tax rate
Rate produced by adding property tax rates to the property tax equivalents of user fees applicable to a given property category.

Averaging of assessment roll changes over time
Fiscal measure intended to mitigate the impact of a new assessment roll by distributing over a four-year period a change in the assessed value of a property resulting from implementation of the new roll.

Borough
Territorial, administrative and political division. Montréal is divided into 19 boroughs that are considered to be business units, so that it may exercise certain powers.

Business plan
Strategic plan in which a business unit defines its key concerns and issues and focuses on the goals and commitments that it intends to meet over the short and medium terms.

Business unit
Entity consisting of either a borough or a city department.

Central department
Administrative entity or business unit responsible for assisting the city administration and the boroughs in areas of planning and support. A central department can also assume operational duties.

Charter of Ville de Montréal
Québec statute pertaining to the constitution, organization, areas of jurisdictions and powers of this municipality. Rules governing the harmonization of municipal taxation appear in the *Charter of Ville de Montréal*.

Development
In the Three-Year Capital Works Program, "development" is considered to be the goal of any investment pertaining to the addition or expansion of facilities, increase in the amount of municipal equipment, construction of roadways or underground conduits, as well as the acquisition and landscaping of new parks.

Distribution of change in property values
Fiscal incentive aimed at smoothing the effect of a new property assessment roll by gradually applying the changes of value represented in the new roll to property taxes.

Eco-centre
Facility designed to receive recyclable and reusable materials. Eco-centres also serve as community centres by providing information and by enabling residents to participate in educational and other activities pertaining to the environment.

Eco-Quartier
Program aimed at supporting initiatives of residents seeking to participate in an organization devoted to the promotion and to the improvement of their borough's quality of life.

Effectiveness
Measure of the extent to which certain objectives have been achieved.

Efficiency
Measure of how well resources have been used in meeting a set objective.

Employer contributions
Expenditure item consisting of fringe benefits (various insurance programs, pension plan contributions, etc.) and employee benefits (contributions to the QPP, to employment insurance, to the CSST, to the Fonds de santé) granted to elected officials and to employees.

Employee on availability
Permanent employee whose permanent position has been abolished and who is no longer the incumbent of a position.

Employee on availability outside of the administrative structure
Employee on availability who has not been assigned to any authorized position within the administrative structure of a borough or of a city department.

Expenditures by item
Expenditure classification system based on the economic function of the goods and services in question and defined in the *Manuel de la présentation de l'information financière municipale*. The following expenditure categories exist: Remuneration, Employer Contributions, Transportation and Communications, Professional, Technical and Other Services, Leasing, Maintenance and Repair, Durable Goods, Non-Durable Goods, Financing Expenses, Contributions to Other Organizations and Entities and Other Purposes.

Field of endeavour
Term designating a sector of municipal responsibility.

General property tax
Tax based on a building's assessed property value and thus on revenue used to finance the municipality's overall expenditures. Tax rates vary according to four property categories.

Global tax rate
Rate obtained by dividing the assessed property value of a municipality by the tax revenue collected from all of its taxpayers.

Gross investment expenditure
This expression indicates total investment expenditures adjusted by subtracting the GST rebate. These amounts are shown in contrast with net investment expenditures and do not take into account financing methods.

Imbalance in taxation
Transfer of a share of the tax burden from one sector to another, from one property category to another or from one property to another. Any modification of the basis for a tax or a fee in terms of value, frontage, dwelling units, etc., may result in an imbalance in taxation.

Inter-unit charge
Transaction involving an exchange of services between two business units. The concept of inter-unit charge enables a unit providing a service to charge an expenditure to the receiving unit.

Investment expenditure
Expenditure for items that can be purchased, built, developed or improved. Such asset items must also meet the following criteria:

- They are to be used to produce goods, to provide services or to ensure operations of the municipal administration.
- They have been purchased, built, developed or improved to be used in a sustainable manner.
- They are not to be sold in the municipality's normal course of business.

Loan by-law
Authorization from the ministre des Affaires municipales, des Régions et de l'Occupation du territoire (MAMROT) for the city to take out a loan that generally will serve to fund certain investment expenditures that are too costly to be assumed over a single fiscal year.

Montréal International
Organization seeking to contribute to the economic development of Greater Montréal and to expand the region's international influence.

Municipal category
Standardized system of classifying municipal activities applicable to all municipal organizations and which is defined in the *Manuel de la présentation de l'information financière municipale*. These categories are: General Administration, Public Security, Transportation, Environmental Hygiene,

Health and Welfare, Urban Planning and Development, Recreation and Culture and Financing Costs.

Net investment expenditure
This expression indicates only that portion of gross investment expenditures financed through loans to the city. This figure is calculated by deducting other sources of financing (grants, contributions, etc.) from the gross investment expenditure.

Occupancy of the public property
Installation of certain structures, in whole or in part, in an area normally reserved for public use.

Such structures could include stairways, balconies, pedestrian overpasses and underground passages. Owners are billed rental fees for such use. A rental fee may represent a symbolic amount, it may be based on a contractually established rate or it may be based on a value set by the city.

Other Budget Items
Budget subdivision grouping a set of expenditures of the same type that are not associated with the boroughs or with the city departments.

Payments in lieu of taxes
Amounts paid by the owners of tax-exempt properties in lieu of various taxes and fees. The nature and amount of such compensation varies by owner (government, school board, hospital, non-profit organization, church, etc.).

Person-year
Concept used by the city administration to convert the number of employees of any status into full-time equivalents.

Program
Programs serve as complements to projects listed in the business unit tables of the Three-Year Capital Works Budget and cover a series of sub-projects to carry out work of a similar nature and that are common to multiple boroughs or to central departments.

Protection
This represents the Three-Year Capital Works Program investment goal of preserving, restoring, rehabilitating and maintaining assets.

Property categories
For general property tax assessment purposes, the overall set of properties to which a particular rate applies. In assessing taxes, the city administration uses four property categories: non-residential properties, vacant lots, properties with six or more dwellings and the residual category.

Property transfer
Transfer of ownership of a building, creation or transfer of an emphyteutic lease or lease of a building for a period of more than 40 years.

Property Transfer Tax
Fees imposed on the buyer of a building when property changes hands are now calculated as follows: 0.5% of the sale price up to $49,999, 1.0% of the sale price between $50,000 and $249,999, and 1.5% of the sale price between $250,000 and $499,999 and 2.0% on the sale price over $500,000. (*By-Law concerning the rate of transfer duties applicable to transfers whose basis of imposition exceed $500,000* -10-007)

Property valuation roll
Record prepared by the city's Direction de l'évaluation foncière (tax assessment) including all information required for producing the tax roll.

Quasi-municipal organization
Non-profit entity that has been endowed, under conditions provided by law, with a legal personality and which maintains a business relationship with the city.

Quota shares
These shares represent the contribution expenditures to be paid by the Ville de Montréal for funding activities that fall under the authority of the Urban Agglomeration Council.

The set of quota shares received from the Ville de Montréal and the other related municipalities constitute the urban agglomeration's main source of revenues.

Real estate acquisitions
Items representing the amount earmarked for capital expenditures under the Three-Year Capital Works Program.

Real estate assessment roll (property assessment roll)
Record prepared by the city's Direction de l'évaluation foncière (property assessment division), including all information required for producing the tax roll.

Reclamation rate
Percentage of solid waste produced that did not serve as landfill because of recovery, reuse or reduction of disposal at the source.

Remuneration
Heading that includes the salaries and compensation paid to elected officials and to employees.

Residual category
Set of buildings primarily consisting of residential structures containing no more than five units. Such buildings are subject to the general property tax basic rate. This category also includes vacant lots on which construction is prohibited.

Royalties—underground conduits
Rental fee imposed on users of the underground conduit network of the Commission des services électriques (electrical services commission) based on the space their conduits take up within the network.

Sector
In terms of taxation, territory of a former municipality. The property situated within each former municipality remains responsible for the latter's' respective debts.

Tax burden
For a given fiscal year, the set of tax revenues derived from such sources as general property taxes, water user fees and solid waste treatment fees. The tax burden is estimated on the basis of real estate assessment roll data as at September 13, 2006. Finally, the tax burden is that portion of the tax revenue for a given sector to which a ceiling on any increase applies (5% maximum) for purposes of tax harmonization under the *Charter of Ville de Montréal.*

Tax harmonization
Effort to bring the various tax regimes and taxation levels of various city sectors (former municipalities) within a single system of taxation.

Transfers
Grants from different levels of government, other public organizations, private businesses and individuals, with no service provided as valuable consideration. Transfer revenues are organized in accordance with their ultimate categories. They may be used to finance operating expenditures, to service the debt or to make investments.

User fees
With respect to taxation, amount due in consideration of a service provided to a building or to its occupant. Such fees are paid by the property owner or occupant.

SPECIAL TERMS

TERRITORIES

Montréal Urban Agglomeration
The 16 municipalities that make up the Island of Montréal or simply, the Island of Montréal.

Local municipality

- The term "local municipality" comprises a variety of different entities including cities, municipalities, villages, parishes and townships. (Source: MAMROT)
- The local municipality is administered by a municipal or city council. (Source: MAMROT)

Central city

- The Ville de Montréal, in its relationship with the local municipalities that make up the urban agglomeration of Montréal.
- The central city will exercise urban agglomeration responsibilities throughout the Island of Montréal and local responsibilities within the Ville de Montréal, as directed by the appropriate decision making body (the Urban Agglomeration Council, the City Council or a borough council).

Reconstituted municipalities

- Excluding the residual city, the 15 territories of the Island of Montréal that resumed their municipal status on January 1, 2006.
- The reconstituted municipalities are responsible for their respective local services.

Related municipalities
The Island of Montréal's 16 related municipalities (the 15 reconstituted municipalities and the Ville de Montréal) that sit on the Montréal Urban Agglomeration Council.

Urban Agglomeration powers

The Urban Agglomeration Council or the Executive Committee carries out the urban agglomeration's responsibilities pursuant to law. These entities are, in other words, responsible for urban agglomeration services provided by the central city (Montréal) to all island residents.

Urban Agglomeration services

All common services provided by Montréal to island-wide residents.

Local areas of responsibility

- The council of each municipality on the Island of Montréal exercises local areas of responsibility that are defined by law, which means such councils are responsible for local services provided within the local municipality.
- Responsibilities exercised by local municipalities are also called *neighbourhood or local services.*
- In the case of the Ville de Montréal, the *Charter of Ville de Montréal* states that these local areas of authority shall be shared between the City Council and the borough councils. There are, accordingly:
  - Local areas of authority administered by the boroughs.
  - Local areas of authority administered by the City Council.

CONCEPT OF A DECISION-MAKING BODY

Urban Agglomeration Council

- A Ville de Montréal decision-making body.
- The Urban Agglomeration Council exercises the urban agglomeration's powers pursuant to law. This council is, in other words, responsible for urban agglomeration services provided by the city to all island residents.

City Council

- Each local municipality has a City Council.
- The City Council is one of four decision-making bodies in the Ville de Montréal.
- Montréal's City Council exercised those local powers stipulated under the Charter. This council is, in other words, responsible for certain city-wide local services.
- In the case of Montréal, the Charter stipulates that local powers be divided among the City Council and the borough councils.
- In the case of the reconstituted municipalities, municipal council also exercise local powers. They are, in other words, responsible for their own local services.

Borough Council

- Each of Montréal's 19 boroughs has one decision-making body.
- Borough councils exercise local powers as prescribed by the *Charter*. This means they are responsible for the local services provided within each borough.

Executive Committee

- The Ville de Montréal's decision-making body, consisting of 7 to 11 members appointed by the Mayor of Montréal.
- The Executive Committee has authority of local, rather than agglomeration powers.

Decision-making Bodies

The Ville de Montréal has four decision-making bodies:

- The City Council.
- The Urban Agglomeration Council.
- The borough councils.
- The Executive Committee.

Montréal's 15 reconstituted municipalities have two decision-making bodies:

- A municipal council.
- The Urban Agglomeration Council.

BUDGET

City Budget

The city budget comprises amounts associated with both the urban agglomeration's powers and with the city's local powers.

City Council Budget

- The City Council Budget is the budget adopted by Montréal's City Council so that it may exercise local powers within the city.
- The city's local powers are exercised both by the boroughs and the central departments.

Urban Agglomeration Council Budget

- The Urban Agglomeration Council Budget is the budget adopted by the Urban Agglomeration Council so that it may exercise the urban agglomeration's powers throughout the island.
- The urban agglomeration's powers are exercised by Montréal's central departments.

Borough Budget

The borough budget is the budget adopted by the borough council and applied to the borough's local powers under the latter's authority.

Adoption of the Budget

Notwithstanding the fifth paragraph of subsection 3 of section 474 of the *Cities and Towns Act* (chapter C-19), where, on 1 January, the city's budget is not adopted, one-quarter of each appropriation provided for in the budget of the preceding fiscal year is deemed to be adopted. The same rule applies on 1 April, 1 July and 1 October if, on each of those dates, the budget has not yet been adopted.

The council may prepare and adopt a supplementary budget to make up any anticipated deficit (sections 474.4 to 474.7 of the *Cities and Towns Act*).

Adoption of the Budget during a Year in which a General Election is Held in the Municipality

Between 15 November and 31 December, the council shall prepare and adopt the budget of the municipality for the next fiscal year and provide therein for revenues at least equal to the expenditures provided for therein. However, during a year in which a general election is held in the municipality, the period is extended until 31 January of the following year. (*Cities and Towns Act*, R.S.Q. c. C-19, s. 474 – par. 1).

QUOTA SHARE CONCEPT

Under An Act to amend various legislative provisions concerning Montréal (S.Q. 2008, c.19., "Bill 22"), adopted June 20, 2008, most urban agglomeration activities shall be funded through a new quota share system. In other words, rather than levy direct taxes on Island of Montréal residents, the Urban Agglomeration Council will now share the cost of exercising its authority with the related municipalities. The related municipalities can then draw on their quota shares to make their payments, in accordance with their particular fiscal directions.

TAXES

Taxes of the Ville de Montréal

Include the urban agglomeration tax (prior to 2009), the local municipal tax and the borough taxes.

Urban Agglomeration Taxes

- Taxes falling under the authority of the Urban Agglomeration Council paid by all urban agglomeration residents concerned, for urban agglomeration services.

Local Municipal Taxes

- **Local municipal taxes**
  Taxes falling under the authority of the City Council paid by all Montréal residents for local services.

- **Borough taxes**
  Specific taxes falling under the authority of the borough council and paid (where applicable) by residents of a particular borough for neighbourhood services.

CONCEPT OF INTER-ENTITY TRANSACTIONS TO BE ELIMINATED

Transactions to be eliminated result from the exchange of billed services between business units. These eliminations pertain to three types of transactions:

- Transactions to be eliminated illustrate Montréal's share of expenditures under the responsibility of the Urban Agglomeration Council (quota shares). Since these transactions result from exchanges of services between the city and the urban agglomeration council budgets, they have been eliminated from the Ville de Montréal's Global Budget.
- Internal transactions resulting from the exchange of billed services between business units within a given reporting entity.
- Inter-entity transactions resulting from the exchange of billed services between business units in which the supplier is based in a reporting entity different from that of the client.

INDEX OF ACRONYMS AND ABBREVIATIONS

AMT
Agence métropolitaine de transport (Montréal commuter train agency)

BAM
Bureau accès Montréal (Accès Montréal office)

CES
Centre d'expertise et de support (expertise and support centre)

CESM
Complexe environnemental de Saint-Michel (Saint-Michel environmental complex)

CFP
Commission de la fonction publique (public service commission)

CHUM
Centre hospitalier de l'Université de Montréal (Université de Montréal hospital centre)

CIM
Conseil interculturel de Montréal (Montréal intercultural council)

CLE
Centre local d'emploi (local employment centre)

CMM
Communauté métropolitaine de Montréal (Montréal Metropolitan Community)

CIRANO
Centre interuniversitaire de recherche, de liaison et de transfert des savoirs en analyse des organisations (interuniversity research, liaison and transfer of knowledge centre in organizational analysis)

CMHC
Canada Mortgage and Housing Corporation

CSE
Commission des services électriques (electrical services commission)

CSIF
Canada Strategic Infrastructure Fund

CSST
Commission de la santé et de la sécurité du travail (Québec occupational health and safety board)

CTA
Cities and Towns Act

CUSM
McGill University Health Centre (MUHC)

FODIM
Fonds de développement International de Montréal (Montréal International development fund)

FIS
Fonds d'initiative stratégique (strategic initiative fund)

FSFAL
Fonds spécial de financement des activités locales (special fund to finance local activities)

GIST
Groupe d'intervention stratégique (strategic response group)

IATA
International Air Transport Association

ISQ
Institut de la statistique du Québec (Québec statistics institute)

LCD
Local Development Centres

MAMROT
Ministère des Affaires municipales, des Régions et de l'Occupation du territoire

MAPAQ
Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (Québec ministry of agriculture, fisheries and food industries)

MCCC
Ministère de la Culture, des Communications et de la Condition féminine (department of culture, communications and the status of women)

MESS
Ministère de l'Emploi et de la Solidarité sociale (department of employment and social solidarity)

CSST
Commission de la santé et de la sécurité du travail (Québec occupational health and safety board)

CTA
Cities and Towns Act

CUSM
McGill University Health Centre (MUHC)

FODIM
Fonds de développement International de Montréal (Montréal International development fund)

FIS
Fonds d'initiative stratégique (strategic initiative fund)

FSFAL
Fonds spécial de financement des activités locales (special fund to finance local activities)

GIST
Groupe d'intervention stratégique (strategic response group)

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MI
Montréal International

ICAO
International Civil Aviation Organization

OMH
Office municipal d'habitation (Montréal municipal housing bureau)

PAGASTC
Programme d'aide gouvernementale à l'amélioration des services de transport en commun

PR@M
Programme réussir@montréal (success@montreal)

PRQC
Programme de revitalisation des quartiers centraux (downtown urban renewal program)

PRU
Programme de renouveau urbain (urban renewal program)

PSAB
Public Sector Accounting Board

P-Y
Person-year

QIM
Quartier international de Montréal (Montréal international district)

RASOP
Revue des activités, des services, des opérations et des programmes (review of activities, services, operations and programs)

RMR
Région métropolitaine de recensement

RRQ
Régie des rentes du Québec (Québec income-security board)

SAC
Service d'avis à la communauté évoluée (state-of-the-art community notification system)

SAEIV
Systèmes d'aide à l'exploitation et d'information des voyageurs des autobus (bus rider information and operation assistance system)

SDC
Société de développement commercial (commercial development corporation)

SHDM
Société d'habitation et de développement de Montréal (Montréal housing corporation)

SITA
Société internationale de télécommunication aéronautique (society of international telecommunications for the air transport industry)

SITE
Service des infrastructures, transport et environnement (infrastructure, transportation and environment)

SOFIL
Société de financement des infrastructures locales du Québec

SPVM
Service de police de la Ville de Montréal (police department)

SRB
Système rapide par bus (rapid bus system)

STM
Société de transport de Montréal (Montréal public transit corporation)

TECQ
Taxe sur l'essence et contribution du Québec (Government of Québec fuel tax and contribution)

TGE
Telecommunications, gas and electricity

TGT
Global tax rate

TCWP
Three-year Capital Works Program

MONTRÉAL FACTS AND FIGURES

Montréal Urban Agglomeration	16 Municipalities	500 Square Kilometres
City	19 Boroughs	365 Square Kilometres

Population

City:

- 1,651,235 inhabitants

Montréal Urban Agglomeration:

- 1,887,983 inhabitants
- 474,155 families
- 51.9% women and 48.1% men
- Births: 22,982
- 31% of the island's inhabitants are immigrants
- 56% of the population can converse in French and English, 30% in French only and 11% in English only
- 66% of all Québec immigrants settle in Montréal and 87% in the CMA[1]

Greater Montréal (CMA):

- 3,814,738 inhabitants

Housing

City:

- 743,204 households (2006)
- 65.6% of these households are renters
- 795,728 dwelling units (2010)
- Median household income:
  - $51,842 (2005)
- Total property value on the 2011-2013 roll:
  - $197.4 billion
    2/3 of which are listed as residential properties

Montréal Urban Agglomeration:

- 831,791 households (2006), 62% of which are renters
- 889,691 dwelling units (2010)
- Median household income:
  - $57,792 (2005)

Safety

- 4,600 police officers
- 33 neighbourhood police stations
- More than 140 police officers assigned to Montréal's subway system
- 2,305 fire fighters
- 65 fire stations
- Approximately 1,800 first responders trained

Road and Pedestrian Infrastructure

- City: 839 km of arterial roads, 4,200 km of streets and 6,550 km of sidewalks
- 150 km of highways
- 14 bridges and 1 tunnel provide access to and from the urban agglomeration
- 660 city-managed structures

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[1] CMA: Census Metropolitan Area

Public Transit and Active Transportation

- Montréal Urban Agglomeration: 530 km of bike paths
- 5,000 BIXI bikes distributed among 400 stations:
  - 3 million trips as of mid-November, 2010
- Network of 31.5 km of indoor pedestrian walkways–one of the world's largest
- 1,680 buses and 102 minibuses from the Société de transport de Montréal
- 209 bus lines, including 20 offering night service and 31 offering "10-minute max" service
- 18 reserved lanes for mass transit
- 4 subway lines, including 71 km of track and 68 stations
- 382.8 million trips in 2009

Water Infrastructure

- 7 drinking water production plants
- Daily production of 1.8 million cubic metres of water
- 14 reservoirs and 9 booster stations
- 740 km of trunk mains and 3,572 km of secondary mains
- 22,605 fire hydrants and isolation valves
- 32,348 floodgates and gate houses
- 1 wastewater treatment station (3rd largest in the world
- Daily treatment of 2.5 million cubic metres of wastewater
- 90 km of interceptor sewers and 620 km of trunk sewers
- 4,134 km of secondary sewer lines
- 145,433 sumps and 64,169 manholes

Environment

- Approximately 675,000 trees on public land
- 17 large parks and 3 more large parks planned
- The Saint-Michel environmental complex
- 7 ecocentres
- 28 *ecoquartiers* (environmental action programs)
- 1 specialized solid waste management centre
- Nearly 1,160 local parks
- 16 air quality sampling stations

Healthcare

- 12 health and social services centres
- 28 local community service centres (CLSCs)
- 20 hospitals, including:
  - 3 university hospitals: CHUM, MUHC and Hôpital Sainte-Justine
  - 3 institutes, including 1 youth centre
- 60 home-care and long-term care centres
- 14 rehabilitation centres

Culture

- 96,910 direct and 60,798 indirect jobs
- Nearly $8 billion in direct benefits, or 6% of the metropolitan GDP
- No. 2 in knowledge-based fields, ahead of aerospace and life sciences
- Nearly 70% of Québec's cultural sector jobs
- The Grande Bibliothèque, plus a system of 44 public libraries
- More than 60 museums
- Some 100 festivals generating $200 million in economic spinoffs
- More than 150 performance halls with over 65,000 seats
- 200 theatre groups, 50 dance companies and 700 art workshops
- An Accès culture network that brings in 600,000 visitors each year
- A UNESCO City of Design since 2006
- The Quartier des spectacles and two protected boroughs (Old Montréal and mont Royal)
- The Conseil des arts (Canada's first arts council)

Tourism

- 17,500,000 visitors
- 7,000,000 tourists
- $2.1 billion in benefits
- 58,159 jobs supported by Montréal's tourist industry
- Canada's second leading city for the number of visitors
- 31,500 hotel rooms
- 61% annual hotel occupancy rate
- In 2009, 77 conventions: ranks first in Canada, 2nd in North America and 25th in the world for the number of international conventions

Education

- 4 universities: 2 French-language and 2 English-language
- 7 affiliated university establishments
- 12 public colleges: 9 French-language Cegeps (49,245 full-time students) and 3 English-speaking institutions (18,076 full-time students)
- 5 school boards: 3 French-language (141,290 students) and 2 English-language (52,804 students)
- 163,669 university students (all levels)
- 41,132 university degrees awarded in 2009, including:
  - 6,585 master's degrees
  - 1,012 doctoral degrees

International organizations

- 70 international organizations: aerospace, education, environment, life sciences and other areas
- 113 financial centres
- 90 consular delegations
- More than 1,250 subsidiaries of foreign companies

Sectoral Economy

Research and Development

- 200 research centres
- 2,000 institutions active in research and development
- 24,500 jobs in private, public and university centres

Film and Television Industry

- Sales: $1.3 billion
- $214 million in benefits from international film shoots between January and October 2010
- 500 businesses: production and distribution
- 35,000 jobs

Life Sciences

- Sales: $4 billion
- The Urban Agglomeration is home to 70% of the 630 private and public establishments involved in life sciences in Greater Montréal
- 150 public and quasi-public research organizations
- 80 foreign business subsidiaries
- 41,000 jobs

Aerospace Industry

- Sales: $12 billion
- Exports: $8 billion
- 235 businesses and 10 public and quasi-public research centres
- 42,400 jobs
- Presence of three major international organizations: ICAO, IATA, SITA

Information Technologies

- Sales: $12 billion
- Exports: $5 billion
- 5,000 private businesses, 200 of which are foreign owned
- 120,000 jobs
- 10,800 university students in this field
- World leader in multimedia and video games

Manufacturing Sector

- Annual production: $60 billion
- 4,350 manufacturing businesses
- 300 service firms
- 244,800 jobs
- 50% of Québec manufacturing deliveries originate in the Montréal metropolitan area

Port of Montréal

- Approximately $2 billion annual income
- 27,813,320 metric tonnes of goods
- Traffic of 1,473,914 containers
- 41,000 direct and indirect jobs
- Biggest port in eastern Canada, 2nd largest in all of Canada and 79th in the world

Montréal Trudeau Airport

- Added value: $4.6 billion
- 12,224,534 passengers in 2009
- 24,969 take-offs and landings
- 170,834 metric tonnes of goods
- 300 active establishments on the site, generating 56,000 jobs, including 29,000 direct jobs

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